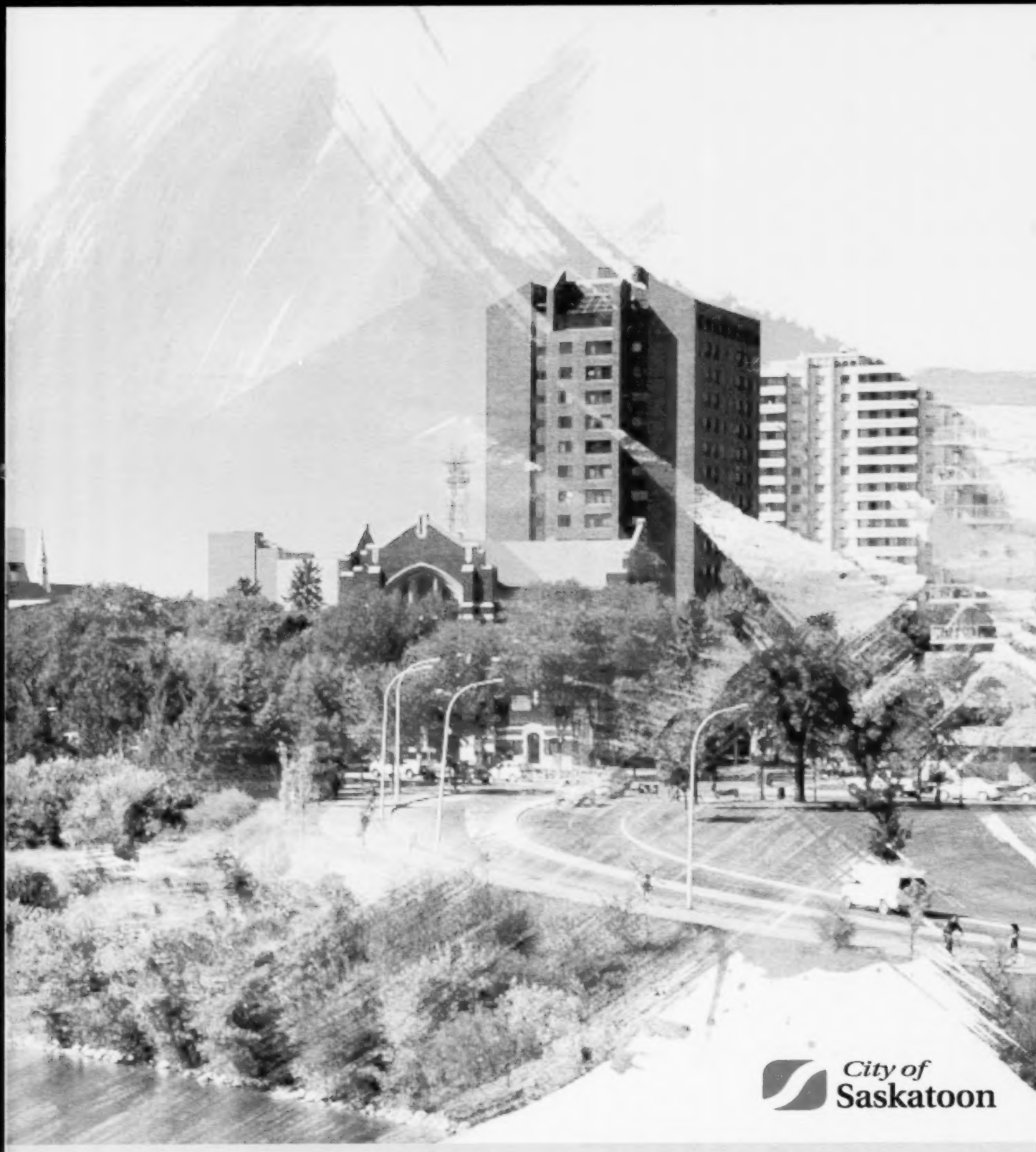

City of Saskatoon

2012 Annual Report

Saskatoon, Saskatchewan, Canada - Year Ended December 31, 2012

Investing in What Matters

Our Vision

In 2030, Saskatoon is a world class city with a proud history of self-reliance, innovation, stewardship, and cultural diversity. Saskatoon is known globally as a sustainable city loved for its community spirit, robust economy, cultural experiences, environmental health, safety, and physical beauty. All citizens enjoy a range of opportunities for living, working, learning, and playing. Saskatoon continues to grow and prosper, working with its partners and neighbours for the benefit of all.

"Saskatoon is a great place to live, where sustainable growth enables the community to invest for the benefit of all."

Our Mission

Our Corporation, the City of Saskatoon, exists to provide excellent local government through leadership, teamwork, partnership and dedication to the community.

We will be innovative and creative in the efficient and effective delivery of public services for the economic, environmental, social and cultural well-being of the community.

Our Corporate Values

Our Strategic Goals will be achieved through the talent, creativity, and commitment of staff who demonstrate our five workplace values every day:

TRUST - INTEGRITY - RESPECT - HONESTY - COURAGE

Our Leadership Commitments

Our leadership commitments are another critical ingredient for the City of Saskatoon to accomplish the vision and mission. We value and need people who demonstrate our four leadership commitments throughout their daily activities and in a manner that helps to achieve the Strategic Goals:

RELIABLE AND RESPONSIVE SERVICE

STRONG MANAGEMENT AND FISCAL RESPONSIBILITY

EFFECTIVE COMMUNICATION, OPENNESS AND ACCOUNTABILITY

INNOVATION AND CREATIVITY

Investing in What Matters

City Council approved the City of Saskatoon's Strategic Plan 2012 - 2022 on February 6, 2012. The new plan positions Saskatoon as a 21st Century City, and will help the city take its place among the most progressive and innovative cities in Canada. To inform citizens about the direction and focus of the plan, City Council initiated *Saskatoon Speaks, Shape Our Future*. This multi-faceted community visioning process commenced in May 2010, and was designed to ensure participation from the full spectrum of Saskatoon's diverse population.

The visioning process involved more than 10,000 citizens participating in forums, interviews, online questionnaires, summits, and visioning sessions. They talked about the things they value, the opportunities and challenges they see, and the hopes they have for Saskatoon as it grows over the next 50 - 70 years.

The resulting vision is *"Saskatoon is a great place to live, where sustainable growth enables the community to invest for the benefit of all."* The vision is trans-generational, meaning we cannot get there all at once; we will continue to move steadily forward with the Strategic Plan as our roadmap.

Developed with input from the community visioning process, the City's 10-Year Strategic Plan outlines what is important in the near term, and where we need to focus our energies. It includes an overarching mission, values, and leadership commitments.

The Plan sets out seven strategic goals that will guide City Council's decision-making and administrative policy-making over the next ten years: Continuous Improvement; Asset and Financial Sustainability; Quality of Life; Environmental Leadership; Sustainable Growth; Moving Around; and Economic Diversity and Prosperity.

Each goal has 10-Year Strategies and 4-Year Priorities; these represent the "how-to" component of operationalizing the vision. Implementation strategies will be developed through the annual Corporate Business Plan and Budget process, and the City will continue to monitor performance as we bring Saskatoon's collective community vision to life.

This 2012 Annual Report - *Investing in What Matters*, aligns with the goals set forth in the Strategic Plan 2012 - 2022.

City of Saskatoon

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City of Saskatoon

City of Saskatoon 2012 Annual Report
Year Ended December 31, 2012
Saskatoon, Saskatchewan, Canada

Prepared and Produced by the City of Saskatoon
Finance Branch and Communications Branch

Financial Statements Presented to City Council on August 14, 2013
Annual Report Presented to City Council on September 9, 2013

LETTER OF TRANSMITTAL

City of Saskatoon

August 21, 2013

His Worship the Mayor
and Members of City Council

I am pleased to submit the City of Saskatoon's Annual Financial Report for the year ended December 31, 2012. The Annual Financial Report is submitted pursuant to Section 155 of *The Cities Act*. The financial report includes consolidated financial statements for the City of Saskatoon reporting entity as required by the Public Sector Accounting Standards Board (PSAB).

The purpose of this report is to provide financial, statistical, and other information about the City of Saskatoon and related entities to allow readers to gain an understanding of the City and the resources available to the City.

The Annual Financial Report consists of the following sections:

- The introduction familiarizes readers with the political and organizational structure of the City, reviews the City's accomplishments over the past year, and describes the nature and scope of the services provided by the City.
- The Financial Section includes the Consolidated Financial Statements.
- The Financial Statement Discussion and the Statistical Section provides additional explanation and trend analysis to provide a broader understanding of the financial statements.

The preparation and presentation of the financial statements and related information contained in this report is the responsibility of the City of Saskatoon's management. The statements have been prepared on a basis consistent with the recommendations of PSAB. Included in the consolidated financial statements are those entities that are accountable to, and owned or controlled by, the City of Saskatoon. These entities include: the Saskatoon Public Library, Saskatoon Police Service, Saskatchewan Place Inc. (operating as Credit Union Centre), Saskatoon Centennial Auditorium (operating as TCU Place), and the Mendel Art Gallery.

City Council appointed the accounting firm of Deloitte LLP to perform an independent audit of the City's 2012 financial statements, and its report is included herein. The accuracy and reliability of the financial information is ensured by the City's system of internal controls. The Audit Committee reviews the external auditor's plan, and ensures corrective action is taken for weaknesses identified in the City's internal control system. An internal audit function through the services of Nicole Garman and Ian Weimer also report to the Audit Committee, ensuring internal controls and procedures are in place and adhered to through a series of internal audits and reviews.

As noted, the consolidated financial statements include information on the City's financial position and operating results, along with those of several related entities. The City's operations are typically segmented (General Operating, General Capital, Utility Operating, and Capital) for budgeting and reporting purposes. For the purpose of the consolidated financial statements, the financial position, and results of all the segments are brought together.

The financial statements included herein reveal that the City ended the year with an operational surplus of $5,075,000 (see Schedule 6 to the Consolidated Financial Statements, page 85).

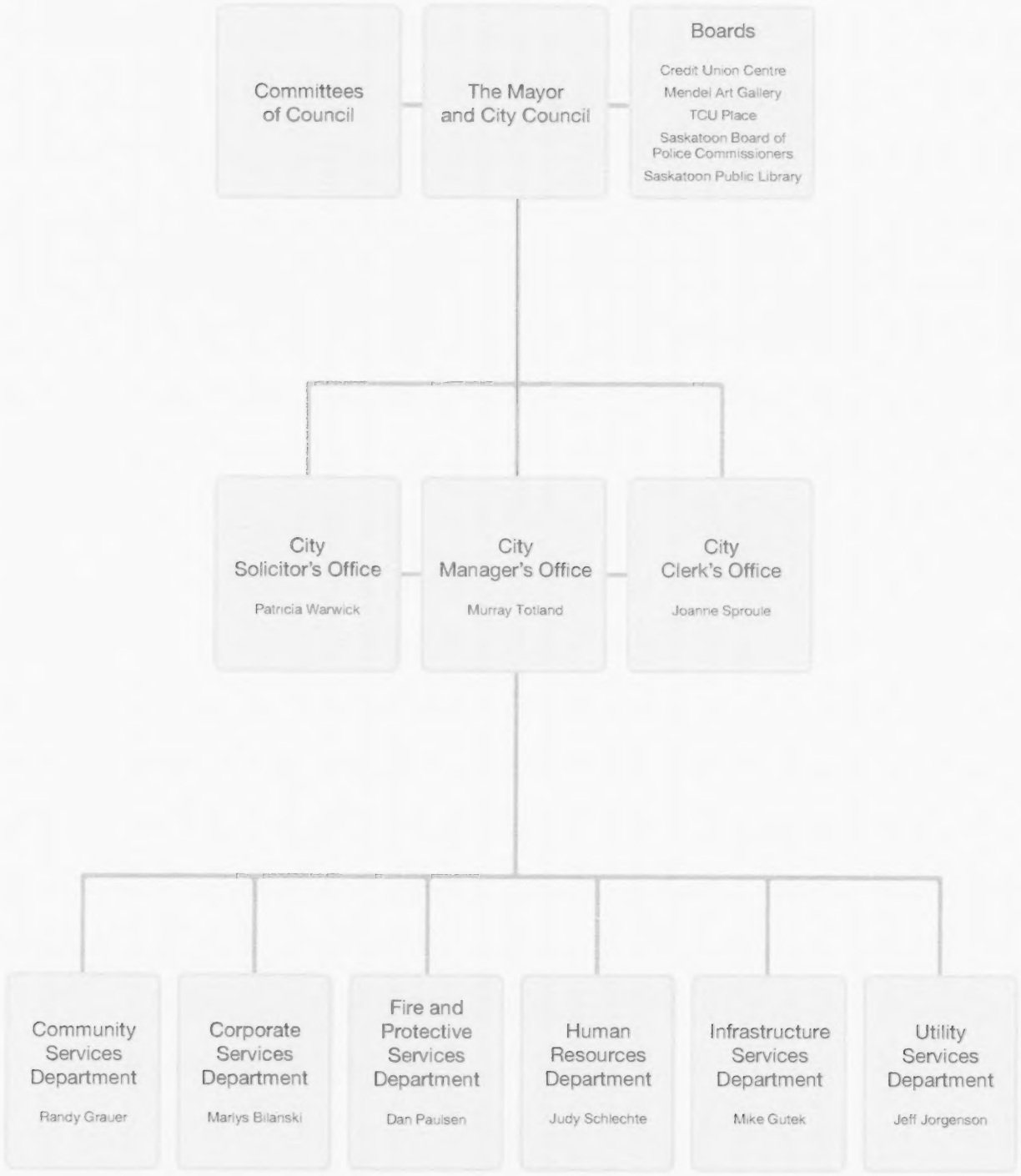
The City's 2012 capital program included planned expenditures of $345,833,000. These expenditures were financed from reserves, development levies, contributions from developers, Federal and Provincial grants, gas tax revenues from the Federal Government, and borrowing.

The City continues to receive positive reviews from Standard and Poor's (S&P) which reconfirmed the City's AAA credit rating.

Respectfully submitted,

Marlys Bilanski, CMA, FCMA
General Manager, Corporate Services

2012 CITY OF SASKATOON ORGANIZATIONAL CHART



MESSAGE FROM THE MAYOR

Mayor Donald Atchison

Saskatoon is Canada's fastest growing city and we are growing at an unprecedented rate. Our population has grown by more than 30,000 over the past six years, and we are on track to grow by 10,000 this coming year. Most of this growth is due to people moving from other provinces and other countries. The Conference Board of Canada estimates Saskatoon will continue this growth for the next 25 to 50 years. Families and businesses are choosing our community because they want to succeed in a place where the economy is strong and the quality of life is the envy of cities across the nation.

This growth is balanced and sustainable, ensuring a thriving vibrant community where families feel safe and secure, and businesses move here creating hundreds of new jobs every year.

Over the last three years, through community engagement, we have developed the Strategic Plan 2012- 2022. This plan set the goals of continuous improvement, asset and financial sustainability, quality of life, environmental leadership, sustainable growth, moving around, and economic diversity and prosperity. These goals guide our decision making and strategies for a successful future.

We are now focussing on our Regional Plan that will outline the future development of Saskatoon to a population of 1.2 million people. In partnership with the Rural Municipality of Corman Park and other neighbouring communities, we are drawing the map of the Saskatoon region for the next 50 years. This plan will designate future growth for neighborhoods, light industrial and heavy industrial areas, and traffic corridors along with delivery systems for critical sewer and water infrastructure. It is ambitious and much needed.

As you will see in this report, we are also focussing on our infrastructure. We have increased our dedicated, transparent budget for road repair and resurfacing. We are targeting improvements to quality-of-life amenities including parks, and bike and hiking trails. Our new Saskatoon Police Service Headquarters is nearly complete. Design has been finalized on the award-winning Remai Art Gallery of Saskatchewan. We continue to work with stakeholders and the community on our new north downtown redevelopment which could be home to 10,000 new residents who will work, live and play in our city centre. Our North Commuter Parkway Project (bridge and connecting roadways) to link the northeast neighbourhoods to the employment centres in the northwest is well underway in the planning stages. In order to find cost efficiencies, we will be bundling this necessary river crossing with the rebuilding of the critical Traffic Bridge in downtown Saskatoon.

Our growth is evident at the John G. Diefenbaker Airport where the number of passengers has set a record every year for the last six years. In 2012, we topped 1.32 million passengers. The two-phase airport expansion is on track to be completed in 2014, providing a better flow-through and passenger experience. The Saskatoon Airport Authority is investing more than $53 million dollars.

The City's Attainable Housing Program continues to be a model for the nation and was rated number one by Canada Mortgage and Housing Corporation. Over the last five years, we have helped to provide more than 2,500 attainable housing units to families who want to share in this city's success. We are now developing our plan for the next ten years.

Growth brings challenges and opportunities. We are grateful for the exceptional partnerships with the federal and provincial governments and look forward to partnering in the future to continue Saskatoon's success.

We will continue to be fiscally prudent. Our financial management strategies are recognized by outside experts as solid and appropriate for this fast-growing city. We will continue to maintain our AAA credit rating with Standard and Poor's.

The success of this great city is measured by the success of each family. We are an inclusive community welcoming newcomers from all over the world. We are a community of hope and opportunity. We are Saskatoon; a 21st Century City.

Donald J. Atchison, Mayor

CITY COUNCIL 2012

The City of Saskatoon is governed by an act of legislation of the Province of Saskatchewan known as *The Cities Act*. The Mayor is the Chief Executive Officer of the City.

Administrative powers and duties have been delegated to the City Manager who is appointed by City Council. The Council consists of the Mayor and ten Councillors, elected for a period of four years. Each Councillor represents a specific ward or area of the city.

City of Saskatoon

Mayor Donald Atchison

Councillor Darren Hill
Ward 1

Councillor Pat Lorje
Ward 2

Councillor Ann Iwanchuk
Ward 3

Councillor Myles Heidt
Ward 4
Jan. 2012 - Oct. 2012

Councillor Troy Davies
Ward 4
Elected Oct. 24, 2012

Councillor Randy Donauer
Ward 5

Councillor Charlie Clark
Ward 6

Councillor Mairin Loewen
Ward 7

Councillor Glen Penner
Ward 8
Jan. 2012 - Oct. 2012

Councillor Eric Olauson
Ward 8
Elected Oct. 24, 2012

Councillor Tiffany Paulsen
Ward 9

Councillor Bev Dubois
Ward 10
Jan. 2012 - Oct. 2012

Councillor Zach Jefferies
Ward 10
Elected Oct. 24, 2012

CITY OF SASKATOON WARD MAP

City of
Saskatoon

MESSAGE FROM THE CITY MANAGER

Murray Totland
City Manager

On behalf of the Administration, I am pleased to present the City of Saskatoon's 2012 Annual Report - Investing in What Matters. The highlights of this report relate to the business lines identified in the City of Saskatoon's 2012 Corporate Business Plan - Investing in What Matters. The business plan is our roadmap - it guides the City's investment activities, and provides the framework to strategically deliver programs and services to accommodate our continuing growth. The business plan ensures our economic prosperity which results in a continued high quality of life for all residents. As you will read in this detailed report, much was accomplished in 2012.

Our population grew by 4.1% to 239,000 in 2012 and employment increased by 4.6%, putting Saskatoon first in Canada in RBC's annual Canadian City Trends poll for job growth, and second for adult population growth.

We continue to have one of the strongest economies in the country. Our real GDP growth was 4.1% this year. In 2012, 5,196 building permits were issued, valued at $1.1 billion - an increase of 15.5% over last year. For the second year in a row, Saskatoon was named Canada's most business friendly city by the annual Canadian Federation of Independent Business and one of the "most open" municipalities in Canada by *Newspapers Canada*. And for the fourth time in as many years, *Communities in Boom* named Saskatoon one of the top three cities in Canada for best overall business climate. Out of 16 Canadian cities and 55 international cities, KPMG's tax study ranked Saskatoon highest in general tax competitiveness. It's exciting to see our trajectory of success and growth continue!

The financial position of the City of Saskatoon continues to be strong, with 2012 ending with an operational surplus of just over $5 million. We are proud to report our Standard & Poor's AAA credit rating, which we have received every year for more than a decade, remains intact.

According to our annual Civic Services Survey, 90% of citizens feel our quality of life in Saskatoon is good or very good. Citizens report high satisfaction levels with our delivery of quality drinking water, fire protection services, treatment of sewage, electrical services reliability, garbage collection, accessibility of City parks, and police services.

Like many municipalities, however, maintaining our existing infrastructure like roads, back lanes and bridges continues to be a challenge. This year, acceptable service and funding levels were defined for basic infrastructure for services like snow and ice removal. Expansions and improvements are being made to our water reservoirs, and we continue to install superpipes to reduce flooding. The related interchanges and overpasses of our new Circle Drive South Bridge Project were either completed or near completion. Work continues on the new Saskatoon Police Service headquarters.

To accommodate our growing community, we continue to build new infrastructure. With the support of our federal and provincial partners, our 2012 Capital Budget included increased investments in infrastructure in the amount of $345.8 million, aimed at improving our mobility, protecting our environment, and enhancing the quality of life for our citizens. Investing in what matters - maintaining and investing in key infrastructure will remain our key priority as we move forward.

To this end, energy recovery and power generation initiatives underway at the Wastewater Treatment Plant and the Saskatoon Landfill will benefit our existing infrastructure at these locations as well as reduce greenhouse gas emissions.

To provide the most efficient and environmental movement of people, services, and goods, our new Integrated Growth Plan (IGP) outlines a new way of growing for Saskatoon. It will include transit, land use, roadway, and water and sewer servicing strategies for the growth of Saskatoon to a population of 500,000 people.

Our affordable housing plan has been successful in providing 500 new housing units city-wide per year, and we look forward to new provincial funding that will be available to us to continue to fund the plan.

We continue to invest in sport, recreation and culture activities that enhance accessibility and provide enjoyment for our citizens. The Remai Art Gallery of Saskatchewan design has been finalized, new parks were created, and upgrades were made to existing parks and recreational facilities.

The year 2012 was indeed one of great progress for the City! I continue to be proud and honoured to serve as your City Manager.

Murray Totland , P.Eng., MBA, City Manager

HOW DO OTHERS SEE THE CITY?

"People from across the province, Canada and the world are drawn to our city for its quality of life, limitless opportunities and highly-skilled and educated workforce."

Strategic Plan 2012-2022 (Strategic Goal: Economic Diversity and Prosperity)

Saskatoon is building a reputation among Canadian municipalities for "getting it right" and creating a model for other communities to follow. This is reflected in some of the media articles seen in 2012, including this editorial in the *Ottawa Citizen*.

> *"Saskatoon is another prairie city currently undergoing a vibrant revival, which should also be the envy of Ottawa residents. River Landing ... is now home to a beautiful new theatre, and the purpose-built farmers' market is a block away. The focal point is a stunning and elegant sculpture titled Prairie Wind ... River Landing will also soon be graced by the new Remai Art Gallery of Saskatchewan (the former Mendel Art Gallery, a short distance away, is under consideration as the new Children's Discovery Museum).*
>
> *Not to be content with this achievement, the City of Saskatoon is now in the early stages of planning for a second large redevelopment, a 240-acre site of old industrial and railway lands immediately to the north of the city centre. ... These are exciting times for Saskatoon ... Perhaps Ottawa should look west for ideas on how to get things done with flair."*
>
> *Monica Wallace, Ottawa Citizen, August 7, 2012*

AAA/Stable Credit Rating

The City of Saskatoon received another AAA/Stable credit rating from international bond-rating agency Standard & Poor's (S&P) in 2012. The AAA credit rating is S&P's highest rating, and the City has received it every year for more than a decade.

> *"The AAA credit rating is another sign the City is financially strong, it has spent wisely and is able to make important future plans—all making Saskatoon a great place to live."*
>
> *Mayor Donald Atchison, January 23, 2012*

#2 in Overall Business Climate

For the fourth year in a row, Communities in Boom named Saskatoon one of the top three cities in Canada for best overall business climate. Five Saskatchewan cities made the top-ten rankings: Saskatoon, Regina, Moose Jaw, Lloydminster, and Prince Albert.

Lowest Business Tax Rates in Canada

KPMG's *Competitive Alternatives 2012: Focus on Tax Study* identified Saskatoon as having the nation's lowest business taxes. The study assessed the general tax competitiveness of 16 Canadian cities and 55 international cities. Saskatoon ranked highest, followed by Edmonton and Moncton, then Vancouver, Calgary, Toronto, and Montreal.

One of Saskatchewan's Top Employers

The City of Saskatoon was also named one of Saskatchewan's Top Employers in the regional segment of Canada's Top 100 Employers competition. The City earned high marks for its employee benefits, work/life balance, employee development, and training opportunities.

One of Canada's Best Diversity Employers

The City was honoured to be named one of Canada's Best Diversity Employers in 2012. The national competition recognizes employers with exceptional workplace diversity and inclusiveness programs. The City was singled out for it's community partnerships and recruitment initiatives.

> *"This award helps us celebrate our efforts and accomplishments to date, while allowing us to measure ourselves against industry best practices."*
>
> *Mubarka Butt, Employment and Total Compensation Branch Manager, February 21, 2012*

Hosting Largest Gathering of Elected Officials in Canada

The City of Saskatoon was the official host at the 75th Annual Conference and Trade Show of the Federation of Canadian Municipalities, the largest gathering of elected officials in Canada. The conference was expected to generate approximately $6 million in new economic activity for Saskatoon businesses.

Accolades

National Planning Awards

- The Kinsmen Park and Area Master Plan won a Regional Citation in the Canadian Society of Landscape Architects 2012 national design competition. Developed in consultation with citizens and stakeholders, the plan provides a framework for revitalization of Saskatoon's oldest park. Development of the plan was funded in part by PotashCorp; planning and design work was completed by Space2Place Design Inc.
- The Public Spaces, Activity and Urban Form Strategic Framework: Phase One of the City Centre Plan won the Canadian Institute of Planners (CIP) 2012 Award for Planning Excellence in the New and Emerging Planning Initiatives Category. The project team included the City of Saskatoon, the University of Saskatchewan, and Sweeny Sterling Finlayson & Co Architects.
- The Saskatoon Culture Plan project, led by DIALOG, won an honourable mention in the CIP's Social Planning Category.
- The Public Spaces, Activity and Urban Form Strategic Framework also won a 2012 Downtown Merit Award at the International Downtown Association's (IDA) annual conference in Minneapolis. IDA President and CEO David Downey called it a "shining example of excellent downtown management that delivers results."

National Education Award

The City's Green Street Program won the Canadian Association of Municipal Administrators' 2012 Education Award. The City partnered with PSI Technologies, the University of Saskatchewan, and the Saskatchewan Centre of Excellence for Transportation and Infrastructure to develop an effective way to recycle roadway material in roadway construction. To date, more than 20 research papers and technical presentations have been presented on the results, and three engineering graduate students have written theses on subjects directly related to the work.

Honorable Mention for Workplace Inclusion

The City of Saskatoon received an Honorable Mention at the Canadian Council on Rehabilitation and Work (CCRW) 2011 Employer Awards Luncheon for partnering with the CCRW's Partners for Workplace Inclusion Program (PWIP) to promote a representative workforce.

Getting Published

We celebrated the achievement of two City employees, Becky Sasakamoose Kuffner, Cultural Diversity and Race Relations Coordinator; and Smita Garg, Immigration Community Resource Coordinator, who had their article, "We Are All Treaty People", published in the Summer 2012 volume of *Canadian Issues*.

HOW DO CITIZENS SEE THE CITY?

Results of the annual Civic Services Survey show that Saskatoon citizens are generally satisfied with quality of life in Saskatoon, delivery of civic services, and the value they receive for their property taxes.

According to the 2012 Civic Services Survey:

- 90% of Saskatoon citizens rate their quality of life as good or very good;
- 87% are satisfied with the overall level of services provided by the City;
- 83% feel they receive good or very good value for their property tax dollars; and
- Citizens exhibit the highest satisfaction levels with the City's delivery of quality drinking water, fire protection services, treatment of sewage, electrical services reliability, garbage collection, accessibility of City parks, and police services.

In Support of Sustainability

"Hello, I just recently spent time in your wonderful town. I was invited to help support your local hospital's sustainability initiatives. I think it's wonderful that you have an institution that is taking their community responsibility seriously. I hope that their efforts can support your city's ongoing sustainability journey."

- Kai A.

Going Above and Beyond

"I would like to acknowledge and thank the gentlemen driving truck number 1256 collecting garbage on Rutherford today September 12, 2012, for doing an amazing job and going above and beyond. Our neighbour's garbage cans were tipped over ... and the driver got out of his truck and picked up the garbage cans and picked up all the garbage which had spilled out and put it back into the bin ... he then returned to his truck and emptied the bins."

- Melissa V.D.F.

A Stand-up Job

"On the CoS WTP Ave H job, Larry, Krystyna, and the other people down the line have done a stand-up job in ensuring that we get paid in a timely and consistent manner. This is important to Graham as well as our smaller subcontractors."

- Mark Patola, P.Eng., Project Manager, Graham Construction

Pleased with Repair Work

"I wanted to send you an email to comment, positively, on some work your staff did that was done to my front yard as the result of a water leak we discovered in March. To repair the leak they had to tear up a very large part of my yard, so you can imagine it was pretty much a mess because of all the rain we have had. They replaced my sidewalk, repaired my sprinklers, leveled the top soil and laid new turf. We are very pleased with the repair work and found the crew great to work with. Every time I had a question it was answered quickly and very professionally."

- Rob T.

Respectful Transit Driver

"I just wanted to send a quick note to say how impressed I was with the respectful driving of one of your smaller transit buses today on Clarence. The driver was very respectful of pedestrians and other traffic in the area."

- Paul M.

City of Saskatoon

IN THE NEWS

One of the "Most Open" Municipalities in Canada

In 2012, *Newspapers Canada* conducted a national freedom of information audit of local, provincial, and federal government agencies in every province and territory (except Nunavut). For the second year in a row, the City of Saskatoon was identified as one of the "most open" municipalities in Canada.

#1 in Job Growth

According to RBC's annual *Canadian City Trends* poll published in March 2013, Saskatoon ranked number one in Canada for job growth and number two for adult population growth.

#1 in Business Friendliness

For the second year in a row, Saskatoon was named Canada's most business friendly city by the annual Canadian Federation of Independent Business (CFIB) *Communities in Boom* survey. Saskatoon continues to be a place where optimism among business owners is high.

Named One of Saskatchewan's Top Employers

The City of Saskatoon was also named one of **Saskatchewan's Top Employers** in the regional segment of **Canada's Top 100 Employers** competition. The City earned high marks for its employee benefits, work/life balance, employee development, and training opportunities.

INTRODUCTION TO BUSINESS LINES REPORTING

In 2011, the City of Saskatoon implemented major changes to its planning and budgeting process that established a new business plan, and integrated the City's operating and capital budgets. In part, this was done for the following reasons:

- The City of Saskatoon believes that the resources allocated to the various programs, services, and projects should be tied to clear and achievable plans.
- Because the City of Saskatoon's capital investments have a direct impact on the day-to-day operations, the City believes that by integrating the operating and capital budgets, it enables more effective management of the City's financial resources.
- By combining the operating and capital budgets, the full costs of funding the City's business lines are more clearly understood.

The new approach to business planning and budgeting is intended to:

- Improve transparency and decision-making by providing City Council and citizens with more information about where City funds are used, linking service costs to service levels and outcomes, and better connecting long-term goals to short-term spending decisions.
- Increase the City's accountability in delivering services to citizens effectively and efficiently, while maintaining its focus on a sustainable future.
- Help the City transform its organization by providing for more regular, ongoing, and thorough examination of City services to ensure that services are relevant to citizens' needs and priorities.

Corporate Governance and Finance

Provides administrative, human resources, information technology, and finance supports for all other business lines.

Taxation

The property levy is the amount required from property taxes to balance the operating budget. This levy includes growth in the assessment roll over the previous year plus the requirements to fund the current year's budget. Supplementary taxes are levied on properties that were changed in the current taxation year and not a part of the original levy.

Corporate Asset Management

Provides building operation and maintenance services for the City's buildings and structures, and manages its fleet of vehicles and equipment.

Police

The Saskatoon Police Service works in partnership with the community to develop collaborative strategies to reduce crime and victimization. The Police Service, in partnership with City Council and the community, continue enforcement with proactive prevention, education, and early intervention strategies.

Fire and Protective Services

Provides fire prevention, public fire and life safety education, emergency response, and the direction and coordination of the City's emergency planning and preparedness.

Utilities

Provides cost-effective and high-quality electricity (Saskatoon Light & Power), quality drinking water, treatment of wastewater, and storm water management (Water & Sewer).

Recreation and Culture

Provides opportunities for citizens to participate in, and enjoy, the benefits of sport, recreation, culture, and park activities.

Community Support

Provides supports and community investments to help build capacity in sport, recreation, culture, heritage, and social organizations, and enhances neighbourhood-based associations and organizations.

Environmental Health

Preserves and protects the long-term health of our urban environment.

Transportation

Efficiently moves people, services, and goods while minimizing environmental impact and promoting sustainability.

Urban Planning and Development

A proactive approach to community planning that accommodates growth and change while balancing long-term economic, environmental, and social needs, and achieving the desired quality of life expressed by our citizens.

Land Development

Operates on a level playing field with the private sector, and ensures adequate levels of serviced inventory for both residential and industrial land are maintained to meet demand.

CORPORATE GOVERNANCE AND FINANCE

Provides administrative, human resources, information technology, and finance supports for all other business lines.

The Corporate Governance and Finance business line provides essential administrative, human resources, information technology, and finance supports for all other business lines. The expertise provided by City staff in these key areas helps to ensure the smooth, seamless provision and delivery of services to residents, businesses, organizations, and stakeholders. For more information on the role of the City Manager, City Clerk's Office, and City Solicitor's Office, please refer to page 51 of this document.

There is a wide range of employee and organizational services including: workplace safety, health and wellness, employee benefits, recruitment, corporate accounting, and information technology.

2012 at a Glance

- There are 11 elected officials consisting of one Mayor and 10 Ward Councillors.
- There are 12 unions and associations within the City's organizational structure.
- For 2012, the total revenues collected corporately - $354 million (see Schedule 6, page 85).
- The 2012 assessed value of all property in Saskatoon is $19.95 billion.

Major Projects and Initiatives 2012

Revalue All Properties in Preparation for 2013 Reassessment

- The revaluation of all properties was completed, and communication materials were prepared to coincide with the assessment notice release.

Electronic Agenda Management System

- This online system will streamline the process for preparing and releasing agendas for City Council and Committee meetings, increase staff efficiencies, and will result in photocopy savings. Research for the project has been completed and an RFP is currently being prepared.

Health and Safety Management System for Civic Employees

- Health and safety audits were completed in several different branches throughout the corporation. The Disability Assistance Program has been updated to provide more streamlined support to employees, and training for managers and supervisors on the Alcohol and Drug Policy was completed.

Civic Election in 2012

- The 2012 Civic Election was held on October 24, 2012. Official election results were provided on October 26, 2012.

Revisions to the Taxi Bylaw

- Taxi companies are submitting data on a monthly basis. A draft bylaw was presented to City Council which was referred to the Administration and Finance Committee for further review. Meetings are being held with stakeholders to gather input. Further reporting regarding the bylaw and taxi number requests will be presented to the Administration and Finance Committee in 2013.

TAXATION

The property levy is the amount required from property taxes to balance the operating budget. This levy includes growth in the assessment roll over the previous year plus the requirements to fund the current year's budget. Supplementary taxes are levied on properties that were changed in the current taxation year and not a part of the original levy.

Grants in lieu of taxation are received from Federal and Provincial governments for properties they own but are exempt from taxation. In most part, these are equivalent to the property taxes calculated on these properties, and application is made to the governments to pay this amount. In addition, the most significant portion of grants in lieu of taxation comes from civic utilities such as Saskatoon Light & Power, water, wastewater, storm water, and Transit. Civic utilities are treated like utility corporations that would pay taxes for using property, both above and below the surface, to conduct its business.

Included in the levy are amounts related to recently annexed properties. The annexation cost is amortized over the agreed upon number of years used to calculate the annexation provision to the RM of Corman Park, and is expensed as Tax Loss Compensation.

2012 at a Glance

Confirmed Assessment Roll for 2012:

Total Assessment for Saskatoon	$ 19,522,365,600
Total Number of Properties	82,292
Total Number of Taxable Residential Condos	16,135
Total Number of Taxable Residential (less than 4 units)	59,035

Taxable Assessment:

Total Taxable Assessment	$ 15,451,645,900
Taxable Portion	$ 12,211,042,195 - 79.0% of total
Exempt Portion	$ 3,240,603,705 - 21.0% of total

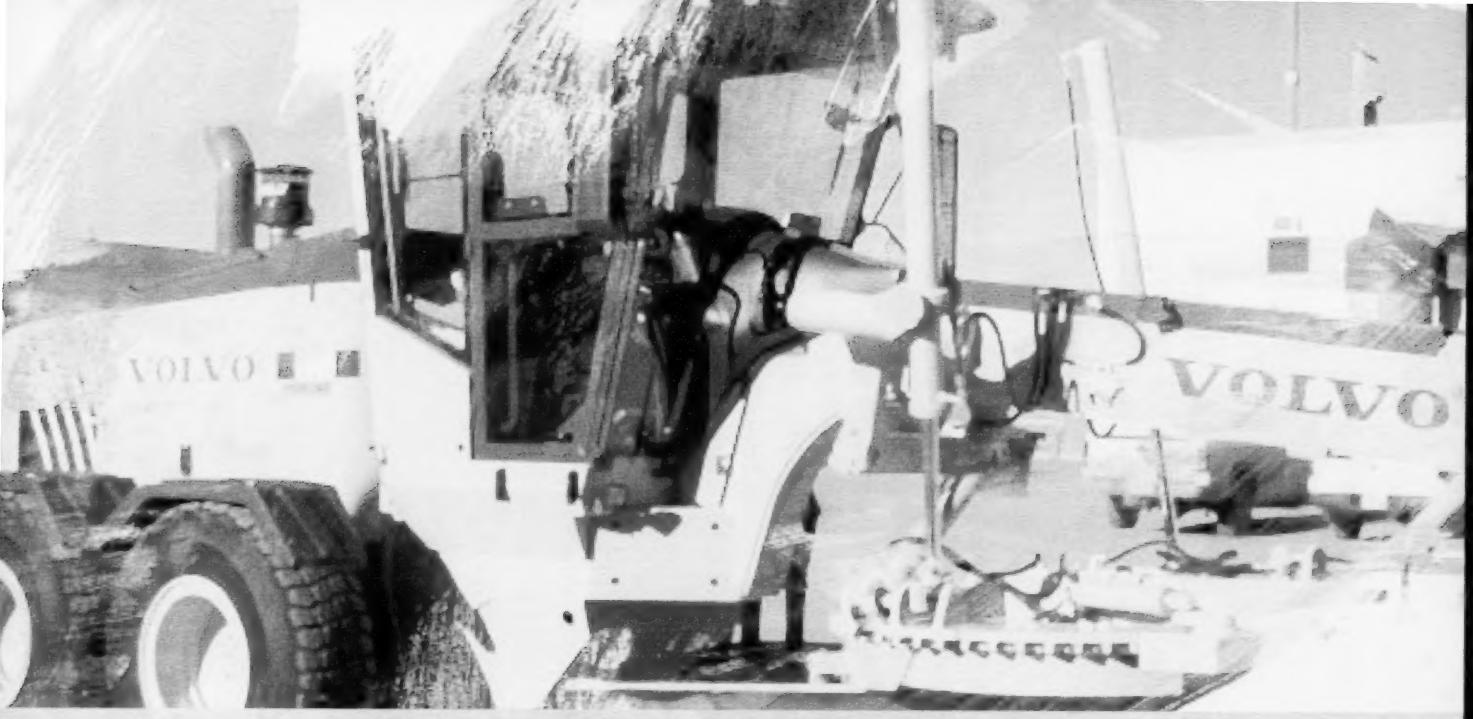
Major Projects and Initiatives 2012

Funding Major Projects

› The City of Saskatoon continued to monitor and apply incremental taxation for funding of major projects such as the Circle Drive and Clarence Avenue Grade Separation capital project, and the River Landing operating program.

Revalue All Properties in Preparation for 2013 Reassessment

› The revaluation of all properties was completed, and communication materials were prepared to coincide with the assessment notice release.



CORPORATE ASSET MANAGEMENT

Provides building operation and maintenance services for the City's buildings and structures, and manages its fleet of vehicles and equipment.

The Corporate Asset Management business line provides building operations and maintenance services for the corporation's buildings and structures such as leisure facilities, fire halls, transit buildings, civic office buildings, and other facilities belonging to Boards. The City employs a comprehensive maintenance strategy to ensure the long-term preservation of its facilities infrastructure. The strategy is a combination of a sound preventive maintenance philosophy, a progressive, planned, and orderly-developed approach to maintenance, and prudent financial management practices.

The Vehicle and Equipment Services program provides equipment management services for the corporation's vehicles and equipment fleet, including purchasing, leasing, rentals, maintenance, repair, and training.

2012 at a Glance

- Number of employees: 206.15 full time equivalents (FTE)
- Facility Infrastructure: 3.09 million square feet of building area valued at $1.01 billion
- Total number of play structures: 128 play structures valued at $6.4 million
- Total number of parks: 232 with more than 31,000 pieces of park furnishings maintained
- Total number of paddling pools: 32; spray pools: 15

- More than 8,000 assets maintained via the Comprehensive Maintenance Program.
- There are 1,300 vehicles and equipment in the City's fleet.
- Total fleet value: $80.0 million
- Total diesel and gasoline pumped each year: 3.4 million litres
- Total number of radios on the system: 1,700
- Total value of radio system infrastructure: $5.3 million
- Total value of radios: $9.5 million

Major Projects and Initiatives 2012

Civic Operations Centre

- A plan was developed to relocate the bus barns and City Yards to a multi-use site at a new Civic Operations Centre. City Council approved a high level funding strategy, and the City is currently working with P3 Canada on a funding application for the Transit facility and the Public Works snow dump facility. A decision on the funding application from P3 Canada is expected in 2013.

Develop an Alternate Business Model to Address Fleet Replacement

- The City continues to utilize two specific alternate vehicle replacement mechanisms: lease to purchase, and purchase of "newly used" equipment. These two business models have proven to be the most effective alternative and now form part of the vehicle and equipment replacement strategy.

Upgrade Trunked Radio Systems

- This project includes the refurbishment and upgrade of the primary radio communication site at Saskatoon Tower in 2012. The secondary radio communication site will be commissioned at Saskatoon Light & Power in 2013.

POLICE

The Saskatoon Police Service works in partnership with the community to develop collaborative strategies to reduce crime and victimization. The Police Service, in partnership with City Council and the community, continue enforcement with proactive prevention, education, and early intervention strategies.

Nine out of ten residents believe Saskatoon provides a good quality of life. Public safety is key to this perception, and is also essential in a healthy, growing community. Individuals, families, community groups, social agencies, businesses, and visitors all benefit from the many programs and services offered through the Public Safety business line.

The Saskatoon Police Service (SPS) completed a core service review and decided upon its core responsibilities: Emergency Response, Quality Investigations, Traffic, and Community Involvement. The redeployment in 2007 has positioned the SPS in a very operational stance, with almost all sworn members directly dealing with the public.

The SPS works in partnership with the community to develop collaborative strategies to reduce crime and victimization. The Police Service, in partnership with City Council and the community, combine enforcement with proactive prevention, education, and early intervention strategies.

2012 at a Glance

- SPS has 442 police officers, 59 special constables, and 136 civilians, for a total of 637 staff members.
- There were a total of 270,733 calls to the communication centre, and cars were dispatched to 72,996 calls for service.
- Arrests processed through the detention area: 11,627
- Traffic offence tickets issued: 36,461
- In 2012, over 370 rental properties participated in the Crime Free Multi-Housing Program, almost half of the multi-family properties in Saskatoon. Twenty properties have been fully certified.

Major Projects and Initiatives 2012

New Headquarters for Saskatoon Police Service

- Construction of the new Police Headquarters continued, including mechanical and electrical work, and the construction of the interior masonry block walls. By year end, the building was almost fully enclosed.

Increased Capacity of the Street Crime Unit

- In 2012, the Gang Unit was increased in size by six members. This was accomplished by re-deploying four members and adding four members to the complement of the SPS. We have seen a steady decrease in gang violence in Saskatoon since the implementation. There has been a decrease in graffiti and visibility of gang members. The predominant street gang in Saskatoon was virtually disrupted and dismantled.

Implemented Web-based Reporting

- The web-based reporting option enables citizens to report minor crimes over the internet.
- In 2012, a total of 3,135 incidents were received through web-based reporting. This has taken a significant workload from Patrol Officers and the Front Desk Reporting Centre. The calls received through web-based reporting are being handled by light-duty assigned officers and has not caused any increase in staffing requirements.

Continued . . .

Major Projects and Initiatives 2012

Installed In-car Cameras in Patrol Cars

› In-car cameras have been installed in all patrol and traffic unit vehicles. The cameras have proved invaluable, providing evidence at vehicle stops and crime scenes. It has aided significantly with either establishing the validity of a citizen complaint concerning police interaction or showing it was unfounded.

Continued Developing the Cultural Diversity Action Plan for Police to Enhance Community Relations, Cultural Recruiting, and Diversity Training

› Through re-deployment, the SPS has increased the size of the Cultural Resource Unit by one police constable. This constable has been assigned specifically the role of Aboriginal Recruiting Officer. The SPS has also created three part-time summer student positions for Aboriginal students that are graduates of the SIAST Police Preparedness Program. Through funding from Citizenship and Immigration Canada, an Interpreter's Program has been created. With over 80 trained interpreters, the SPS can communicate in 90 languages and 120 dialects.

Continue to Place Specific Emphasis on Traffic Safety Through Enforcement to Reduce Collisions

› Traffic enforcement increased 15.8% in 2012. This represents 5,000 additional traffic charges compared to 2011. The increased traffic enforcement has kept the collision increases to 2.7% compared to 2011. Traffic issues related to a growing city with more vehicles, road construction, and poor driving habits continues to be a concern.

FIRE AND PROTECTIVE SERVICES

Provides fire prevention, public fire and life safety education, emergency response, and the direction and coordination of the City's emergency planning and preparedness.

Saskatoon Fire & Protective Services (SFPS) provides Fire Prevention, Public Fire and Life Safety Education, Emergency Response (Fire, Rescue, Emergency Medical Services, Hazardous Materials), and provides the direction and coordination of the City's emergency planning, preparedness, business continuity, and recovery (Emergency Measures Organization - EMO) requirements. SFPS, in partnership with City Council and the community, combines enforcement with proactive prevention, education, and early intervention strategies.

2012 at a Glance

- SFPS has 334 full-time employees; 9 Fire Stations; 1 Dispatch Centre; Fire Prevention and Investigation, Community Relations, Maintenance/Mechanical, Training, and Administration Divisions.
- As of December 31, 2012, the Fire Prevention and Investigation Division and Fire crews conducted 3,700 fire inspections and 20,574 property maintenance inspections. The Saskatchewan Rental Housing Supplement Program, in partnership with the Province, had 958 fire inspections in 2012. SFPS also responded to 1,228 needle concerns, which resulted in the retrieval of 7,574 sharps.
- An integral new position was created in 2012 - Director of Emergency Planning. This position was created to strengthen the emergency planning mandate of the City, and to better prepare for coordinated response should there be service and business interruption.

Major Projects and Initiatives 2012

Overall Upgrade of Self-Contained Breathing Apparatus for Fire Fighters

- SFPS actively engaged in the RFP process to secure this new equipment; work ongoing into 2013.

Emergency Planning for Special Events

- City Council approved a policy regarding the emergency planning that is required to be in place when planning for major special events in Saskatoon.

Vacant Properties/Buildings Bylaw

- Work continued with the Planning and Development Branch and the City Solicitor's Office on this bylaw. They will endeavour to have a report to City Council by fall 2013.

Neighbourhood Evacuation

- Neighbourhood evacuation planning strategies have been developed for both civic and community resource deployment for Montgomery Place and Silverwood Heights. These planning strategies will be applied throughout the city.

Fire Station No. 10 Hampton Village - North West Sector

- Based on the ongoing and substantial growth of the city, the location of Fire Station No. 10 was quantitatively analyzed. The timing and placement of the fire station site continues to be analyzed considering best location, needs planning, road network, and storm sewer and water. As an ongoing project with the Integrated Growth Team, work began on the timing and placement of three new fires stations in the North West, East, and North East Sectors. Construction is to begin in 2015 on the North West Station - No. 10.

Addition of New Software Programs

- Ongoing design, layout, and testing of new programs continues, as new software is required for fire inspection, asset management, and training tracking.

UTILITIES

Provide cost-effective and high-quality electricity, quality drinking water, treatment of wastewater and storm water management.

Electricity, quality drinking water, treatment of wastewater, and storm water management are basic amenities provided through the Utilities business line. Utilities is not only responsible for keeping the lights on, taps flowing, and toilets flushing, it is also responsible for the long-term, sustainable management of Saskatoon's water and energy resources.

Saskatoon Light & Power (SL&P) provides safe, reliable, and cost-effective electricity to customers. The Water Treatment Plant and water distribution system deliver treated water to households, businesses, institutions, and users outside the City limits on a cost-recovery basis. The Wastewater Treatment Plant treats wastewater that is delivered to the Plant by an extensive network of pump stations and underground pipes, and returns high-quality water back to the South Saskatchewan River. The storm water management system is a separate network designed to drain storm water away from streets and buildings.

Fees generated by services within the Utilities business line are an important source of revenue for the City. In 2012, SL&P generated a return on investment of approximately $22.8 million. This amount was available to the City in order to help offset property taxes and fund various municipal projects.

2012 at a Glance

- SL&P's distribution network includes 519 km of overhead lines and 243 km of underground power cables.
- The Water Treatment Plant treated approximately 41.7 million cubic metres of water in 2012.
- The Wastewater Treatment Plant treated approximately 32.0 million cubic metres of wastewater in 2012.
- The storm water management system includes 680 km of storm sewers, 13,000 drains, and 27 ponds.

Major Projects and Initiatives 2012

Condition of Electrical Distribution System

- A study has been completed to review the condition of the City's electrical distribution system against industry standards. It identifies capital improvements that will be necessary over the next several years, and will provide a basis for developing long-term rehabilitation strategies in the future.
- A report is being prepared for City Council to present projections indicating the impact that this infrastructure investment will have on the utility, along with recommendations regarding implementation and funding. This work will continue into 2013.

Long-Term Plan for the Water Treatment Plant

- In December 2009, CH2M HILL Canada Limited completed a Water Treatment Plant Long-Term Capital Development and Expansion Plan. The study provides a strategic development and expansion vision to 2039. A similar study was completed in October 2012 for the Wastewater Treatment Plant. The plan, conducted by Stantec Consulting Limited, outlines water treatment needs for the next 30 years. Both plans will guide the capital budget process for the two utilities.

Avenue H Reservoir Expansion, High Lift Pump Station, UV Disinfection - $47.1 Million (2011 - 2014)

- A combined reservoir expansion, high lift (distribution) pumping station, and ultraviolet (UV) disinfection facility at the Avenue H reservoir site was approved for construction. Expanding the storage capacity for treated water (reservoir), adding an ultraviolet (UV) disinfection system, and installing a new high lift pump station will optimize operation of the Water Treatment Plant. The new UV system will further enhance the City's ability to treat water, provide an additional barrier to the multi-barrier treatment process, and meet evolving regulations.

Continued . . .

Major Projects and Initiatives 2012

42nd Street Reservoir Expansion, Pumphouse Expansion and Distribution Improvement - $27.0 Million (2011 - 2015)

› Additional reservoir capacity and a new pumping facility servicing the north industrial and northeast sectors will provide greater operational flexibility and allow construction of the northeast sector reservoir to be delayed by up to five years.

Energy Recovery/Co-Generation - $15.0 Million (2012 - 2015)

› This project includes full recovery of the energy contained in the methane gas produced from the digestion process at the Wastewater Treatment Plant. The recovered energy will provide process heat and a significant portion of the plant electrical requirements..

Gas Collection System at the Saskatoon Landfill - $11.0 Million (2011 - 2013)

› This infrastructure has the potential to reduce annual greenhouse gas emissions by over 90,000 tonnes per year and provide electricity for up to 2,600 homes. This facility is expected to be operational by early 2013.

Turbo Expander Power Generation Facility $3.0 Million (2011 - 2013)

› Located at SaskEnergy's Natural Gas Regulating Station, west of the Saskatoon Landfill, this facility will produce electricity for up to 600 homes with zero emissions by recovering pressure energy and heat energy. This project was initiated in 2011 and is expected to be operational by early 2013.

Flood Control with "Superpipes"

› A flood control strategy has been developed to utilize underground "superpipes" to collect and store storm water underground, and reduce the amount of surface flooding into the homes and basements of residents. The superpipes in Westview and Sutherland were completed in 2012, and the design for the next two tank facilities is complete for the selected locations of Brevoort Park and Lakeview.

RECREATION AND CULTURE

Provides opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities.

The Recreation and Culture business line provides a wealth of opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities. Such activities are a core element of Saskatoon's quality of life, and an essential part of individual and community health.

One of the City's overarching goals is to encourage as many citizens as possible to take advantage of the recreation and culture activities available. In order to do this, the Recreation and Culture business line operates a number of facilities, provides direct services and programs, and provides support to community-based organizations involved in delivering programs and services. Saskatoon's parks and open spaces provide space for citizens to play sports, walk or bike along pathways, swim in the paddling pools, and play in the playgrounds.

2012 at a Glance

- City-operated sport, culture, and recreation facilities attract approximately 1.5 million visits per year.
- The business line delivers paid admission programs and services, including swimming, skating, fitness, recreation, golfing, the zoo and horticulture.
- At leisure facilities in 2012, there were 15,100 registered program hours; 15,500 people who registered in swimming lessons; 127,300 rounds of golf played; 69,900 hours available for general admission; and 38,000 hours rented to community organizations.

- In 2012, there were 154,000 admissions to the Forestry Farm Park and Zoo, and 19,400 visitor nights at the Gordon Howe Campground.
- The business line supports community associations to provide 16,000 hours of year-round low cost/no cost neighbourhood-based sport, culture, and recreation programs to 11,000 registrants.
- Approximately 2,400 acres of park and open spaces are maintained.
- There are outdoor sports fields for softball, baseball, soccer, slo-pitch, lacrosse, football, speed skating, rugby, and field hockey.
- There are 43 parks that have spray pads (103,000 annual users) and playground sites.
- The business line provides venues for major sport, culture, and entertainment events, including Mendel Art Gallery, River Landing, Credit Union Centre, and TCU Place.
- The business line supports various community-based boards and agencies which in turn, provide programs and services in visual art, performing art, and cultural heritage, including the Marr Residence and Albert Community Centre.
- On average 1,200 trees are planted annually, which includes reforestation projects as well as new park development.
- There are 141 kms of park pathways.
- River Landing area is 14.8 hectares; there are approximately 298,000 users of the riverfront trail; 90% of the public infrastructure is complete; location of three major festivals including WinterShines, the Fireworks Festival, and the Subaru Triathlon.

Major Projects and Initiatives 2012

Off-leash Dog/Recreation Areas

- Construction of dog park fencing in the south west off-leash recreation area was awarded and completed in December 2012. Parking lot tenders came in over budget, due to timing and will be retendered in the spring of 2013. The Meewasin Valley Authority (MVA) approved this area being used as an off-leash recreation area, subject to the site being completely fenced, the provision of a site maintenance program, and any trees removed are to be replaced. City Administration will work with the MVA to comply with conditions.

Continued . . .

Major Projects and Initiatives 2012

Remai Art Gallery of Saskatchewan

- The final design was completed, and the project construction tender was issued and closed in December 2012.

Pools, Parks, and Pavilion

- The new Mayfair Pool was opened to the public on August 10, 2012, and the grand opening was held on August 15, 2012.
- Upgrades were made to WJL Harvey, Parc Canada, Pleasant Hill, and Girgulis Parks.
- Upgrades are planned for Gordon Howe Bowl including an artificial turf field, new service building, score clock, sound system, and outdoor field lighting. City Council approved the appointment of the first Board of Directors for the Friends of the Bowl Foundation Inc., and declared Gordon Howe Bowl Upgrades as a municipal project in order to issue charitable donation receipts.
- The Lions Event Pavilion at the Forestry Farm Park and Zoo was built to host special events and act as a public weather shelter. It is located beside the PotashCorp Ark exhibit in the Zoo, and is a 9,600 square foot sheltered rental facility with the ability to host large corporate or family functions of up to 700 people.

Culture Plan

- A group of internal and external stakeholders reviewed the draft Public Art Plan and Commemoration Policy, and the Culture Grant Program, and prepared recommendations for change to City Council.
- A tripartite partnership (representatives from the City, community, and the University of Saskatchewan) received presentations by U of S students on cultural mapping projects within the City. This initiative was the first in a series of cultural mapping exercises meant to develop a strong knowledge base and appreciation of cultural resources in Saskatoon.

COMMUNITY SUPPORT

Provides support and community investments to help build capacity in sport, recreation, culture, heritage, and social organizations, and enhances neighbourhood-based associations and organizations.

Saskatoon consistently ranks among the top cities in North America for quality of life. The City of Saskatoon defines quality of life as the sense of well-being achieved when people are physically and emotionally healthy, economically secure, safe, have adequate shelter, a sense of belonging, and share cultural and social connections.

Achieving quality of life for the residents of Saskatoon requires the combined commitment of individuals, families, community organizations, service providers, and City of Saskatoon staff. The Community Support business line provides both human and financial supports for community groups, as well as a broad range of City-led initiatives. These initiatives are aimed at building capacity in sport, recreation, culture, heritage, and social organizations, and enhancing neighbourhood-based associations. The Community Support business line also provides subsidized or no cost programs where cost is a barrier for families and individuals.

Community support often takes the form of investments in community-based organizations. This approach ensures a balance between municipal leadership, and community involvement in the development and revitalization of facilities, programs and services, and the protection of Saskatoon's heritage buildings and structures. Partnerships and community collaboration continue to be key to the success of this service delivery approach.

2012 at a Glance

- Provided supports and community investments to 65 social agencies; 50 sports organizations; 52 community outdoor rinks; 46 community associations; 16 arts, culture, and heritage organizations; and 13 community gardens.
- Provided $5.14 million in community support grants.
- Community support grants leveraged both human and financial resources in the community-based organizations in excess of $48 million in self-generated revenue; $1.15 million in grants to the City; 600,000 visits to cultural facilities; 110,000 community association volunteer hours; 60,000 sport, culture and recreation program hours, and 110,000 program participants.
- Supported the stewardship of the natural and heritage resources along the river edges through our connection and supports to the Meewasin Valley Authority in the amount of $689,500.
- Supported expanding our economy through tourism by providing grants to Saskatoon Tourism in the amount of $411,700.
- Supported economic development to ensure Saskatoon is a place to live, work, invest, and prosper through our supports to the Saskatchewan Regional Economic Development Authority in the amount of $486,800.
- Coordinated programs designed to enhance racial harmony and engagement of Aboriginal citizens.
- Maintained Woodlawn Cemetery and Nutana Pioneer Cemetery.
- Subsidized 175 spay or neuter surgeries.
- Subsidized 93,260 leisure access visits to leisure facilities.

Major Projects and Initiatives 2012

Making Facilities, Programs, and Services More Accessible to our Community

- The accessible playground in W.W. Ashley Park was built, making it much easier for children with mobility challenges to use the playground.
- The organization and content for the Accessibility Information webpage has been developed, and will be used when designing the new website for the City of Saskatoon.

Continued . . .

Major Projects and Initiatives 2012

Urban Aboriginal Leadership Program

- In partnership with the United Way, the Saskatoon Health Region, and the University of Saskatchewan, the City has begun work on the development of a community leadership initiative designed to enhance involvement of under represented populations in community-based leadership opportunities. Based on existing community leadership programs, we will develop a community-based leadership program to fill in the gaps.

Immigration and Race Relations in Our Community

- The Youth Action Network was established to increase positive race relations among our young adult community. Mayor's Youth Forums were offered, and the City has been working with Unified Minds and Youth at the Saskatoon Open Door Society to plan events and training opportunities for youth for the upcoming year.
- An assessment of municipal immigration initiatives was started, which included hosting focus groups and gathering input on the assessment of immigration initiatives.
- The City participated in meetings with the Urban Aboriginal Strategy Steering Committee to hear the community's voice about issues surrounding gaps in education and employment for Aboriginal people in Saskatoon. The City also hosted a focus group discussion with youth leaders at Youth Launch to gather additional feedback on the topics of racism and discrimination.

Develop and Implement Tools and Initiatives for Community-Based Organizations to Assist Them in Providing Programs to the Community

- The City is developing an organizational assessment tool.
- The City has collaborated on a proposal to enhance the capacity of funders and community-based organizations around evaluation and outcome based measurement.

ENVIRONMENTAL HEALTH

Preserves and protects the long-term health of our urban environment.

A healthy environment is essential to a healthy population, now and in the future. The City of Saskatoon demonstrates environmental leadership through a variety of programs, services, and activities under the Environmental Health business line. These initiatives enable the City to effectively preserve and protect the long-term health of our environment. Air, water, and land protection is the focus of the services provided under this business line.

The City of Saskatoon is guided by plans such as the Energy and Greenhouse Gas Management Plan, the Saskatoon Waste and Recycling Plan, and the South Saskatchewan River Source Water Protection Plan. Through plans such as these, and through compliance with health and environmental regulations, the environmental impact of our activities is reduced for the benefit of citizens today and tomorrow. Examples include: collection and management of solid waste; environmental programs and projects related to energy efficiency; waste reduction and recycling; stewardship of hazardous waste; responsible management or remediation of contaminated City-owned sites; water quality assurance; and environmental policy development.

The management of Saskatoon's urban forest, which has more than 97,000 trees, and the control of invasive insect and plant species that have a negative impact on parks and naturalized areas, are also critical elements of this business line. In addition, the Environmental Health business line supports public health by reducing the population of mosquitoes that carry West Nile virus.

The City of Saskatoon is a leader in environmental stewardship. The Environmental Services Branch supports and facilitates the implementation of environmentally friendly and sustainable practices for improved environmental performance both by the corporation and the community at large.

2012 at a Glance

- Parks Branch maintains over 97,000 trees on boulevards and in parks.
- Landfill received 119,000 tonnes of garbage; approximately 45% was residential garbage.
- Compost depots received 19,500 tonnes of leaves, grass, and branches; 12,600 tonnes (65%) was delivered by residents.
- 6,600 tonnes of paper, cardboard, milk jugs, and tin cans were collected from 54 recycling depots.
- Pest Management monitors and treats 950 km^2 of land in and around Saskatoon for mosquito larvae, monitors approximately 33,000 American Elm for Dutch Elm disease, manages nuisance wildlife, and administers the provincial *Noxious Weeds Act* through Inspection Services.

Major Projects and Initiatives 2012

Extend the Life of Our Landfill

- The Landfill Optimization design (master plan) was approved by City Council in August of 2011. Equipment upgrades and staff training are progressing. Daily cover practices and traffic management have improved, and storm water management plans are being improved. The filling of inefficiently filled areas has begun. Construction of a new cell on the existing site is now complete.
- The compost depots and the Leaves and Grass Subscription Program divert organic material from the Landfill. The City is exploring the potential of "hot rot" and other composting technologies, food waste program options, and the use of organic wastes in energy production.

Construction of Recovery Park

- Recovery Park will be a facility to divert residential construction and demolition waste from the Landfill for re-use in other construction projects.
- A detailed Recovery Park Development Strategy report has been prepared including a review of similar facilities in other centres. Meetings have been held with local companies engaged in material recycling to determine size requirements and suitable materials for acceptance. A business model/case for Phases One through Three is being developed; Phase One development is expected to be completed in 2013.

Continued . . .

Major Projects and Initiatives 2012

Reduce Greenhouse Gas Emissions

- A gas collection system was initiated at the Landfill in 2011. This infrastructure has the potential to reduce annual greenhouse gas emissions by over 90,000 tonnes per year and provide electricity for up to 2,600 homes. Construction of the gas collection system wellfield is complete; construction of the remaining infrastructure and facilities is in progress and will continue throughout 2013.

Leader in Watershed Protection

- The City continues to participate in the South Saskatchewan River Watershed Stewards as a leader in watershed protection and improvements. A City Councillor and an administrative representative are active members of the Board. A water quality benchmarking study is underway. Future demands on the river are being reviewed to ensure water security for Saskatoon into the future. A 25 Year Water Strategy for Saskatchewan is under development.

Soil Protection and Remediation

- A strategy for the efficient and cost effective handling of environmentally impacted soils is under development. Safe work procedures for known sites have been developed, and staff and contractor training has become routine. Procedures for newly discovered sites and a review of soil handling options with all project staff are expected to proceed in 2013.

A Healthy Urban Forest

- Tree planting and watering programs were completed, including tree maintenance of Grosvenor Park/Greystone Heights, the Central Business District, Riversdale, and shelterbelt maintenance on 22nd Street West between Witney Avenue and the train bridge (both sides), as well as Sutherland.

TRANSPORTATION

Efficiently moves people, services, and goods while minimizing environmental impact and promoting sustainability.

Saskatoon is growing in geographic size as well as population. As the city grows, the challenges involved in safely and efficiently moving people, services, and goods around it become increasingly complex. The Transportation business line brings together a wide range of City services and programs, each of which plays an important role in meeting the transportation needs of the city.

Transportation involves planning, design, building, maintenance, operation, and regulation of the City's expanding transportation systems. This includes facilities for all modes of travel - pedestrian, bicycle, vehicle, and public transit. Saskatoon Transit provides fixed-route service on designated bus routes, as well as service for people with mobility issues. Discounted passes are offered to citizens with low income to assist with their transportation needs.

Transportation also involves traffic signal operation, parking control and enforcement, street lighting, seasonal lighting, sidewalk and back lane maintenance, sound attenuation, street sweeping, and snow and ice management. In addition, it provides services for maintenance and rehabilitation (preservation) of all roadway assets including roads, bridges and overpasses, sidewalks, back lanes, and pathways.

Finally, Transportation is about planning for the future. With some projections calling for Saskatoon's population to surpass the 500,000 mark by mid-century, a main focus of the Transportation business line is to explore innovative ways to efficiently move people, services, and goods, while minimizing environmental impact and promoting sustainability.

2012 at a Glance

- Bridges and structures:
  - 4 river crossings
  - 39 interchanges and overpasses
  - 20 pedestrian overpasses and tunnels
- 3,770 lane km of paved roadways, 95 lane km of gravel roadways, 1,503 km of sidewalks, 450 km of back lanes.
- Public transit fleet is comprised of 52 conventional, 87 low-floor, 9 articulating, 8 low-floor diesel/electric hybrid, 6 mid-sized low-floor and 26 Access Transit buses, for a total of 162 buses (138 buses have bicycle racks).
- Transit operates 365 days a year, and has a passenger load of approximately 12.7 million rides per year.
- 724 km of bus routes operate on 276 km of streets.
- Total number of parking meters: 2,400
- Total number of traffic signals: 257
- Total number of traffic count stations: 570
- Total annual vehicle kilometres travelled in Saskatoon: 1.5 billion
- Number of work requests issued from Public Works Dispatch:
  - Water and Sewer: 9,918
  - Roadways: 8,113
  - Support Services: 747
- Alternative modes of transportation in Saskatoon as measured during the 2011 Census:
  - Walking: 5.1%
  - Cycling: 2%
  - Public Transit (Bus): 4.4%
  - Car, Truck or Van (Driver + Passenger): 86.5%
- Total number of street lights: 28,422
- Total number of Christmas decorations on street lights: 387

Major Projects and Initiatives 2012

Transit

- A new U-Pass Agreement with Oskayak High School was implemented in November 2012. As of December 2012, there are 669 ECO Bus Passes.
- The City continues to ensure that transit is an affordable mode of transportation for citizens with low income. There was a 35% increase in the number of low-income passes sold in 2012 compared to 2011.
- To make it easier for buses to enter and exit from Credit Union Centre during special events, construction of traffic signaling, transit terminal fencing, and pathways was completed in October. Two major events have successfully taken place since construction ended.
- Thirty buses now have hardware installed to provide real-time passenger information through cellular/SMS alerts, smartphone, and website applications. Transit is continuing to monitor and make necessary adjustments in preparation to install hardware on the entire fleet.
- Transit's bus replacement strategy has been amended to include the purchase of "used and in good operating condition" buses to replace the old fleet. Transit recently purchased 12 used buses for a capital cost savings of approximately $6.7 million. A report will be tabled with City Council in early 2013 outlining a future funding plan for longer term bus refurbishment and replacement.

Opening of Circle Drive South, the New South Bridge, Related Interchanges, and Overpasses

- The river crossing portion is 99% complete. The interchanges and overpasses were either complete, or very near completion. Some of the east road work, and the pedestrian/cyclist pathways were not complete. Delays due to weather caused the project completion to be deferred until July 2013.

Highway 7 and Highway 14 Interchange

- The remaining work includes curbs/medians on 22nd Street, west of Betts Avenue. The contractor is to complete the work by May 2013.

Continued . . .

Major Projects and Initiatives 2012

Cycling Pathways, Bike Lanes, and Sharrows

- The five year capital plan and program for 2012 has been approved by City Council.
- The "Learn to Ride Safe" school-based program is complete. The Blairmore Bikeway, Broadway Bridge Access, and Spadina Cycling projects are underway.

Integrated Growth Plan

- The Integrated Growth Plan (IGP) was adopted by City Council, in principle, on March 26, 2012. It outlines a transit, land use, roadway, and water and sewer servicing strategy for the growth of Saskatoon to a population of 500,000 people. The IGP is a new way of growing for Saskatoon, and is aimed at achieving a desirable quality of life for our residents while ensuring that the growth is cost-efficient. The following studies will be conducted in the next 24 to 26 months:
  - Community Engagement and Communications
  - Core Bridge
  - Rapid Transit
  - Nodes, Corridors, and Infill
  - Employment Areas
  - Water, Wastewater, and Utilities Servicing Plan
  - Financing Growth

Transportation Demand Management Strategy to Make More Efficient Use of Transportation Resources

- A survey to establish baseline travel information was conducted in October 2012. City Hall commuter strategies will be developed for the new year. A report on the implementation status and priorities of the Strategic Plan has been reviewed by the Transportation Demand Management Steering Committee. Revisions are being made, and the information will be included in the report on the Integrated Growth Plan.

Continued . . .

Major Projects and Initiatives 2012

Traffic Bridge

- Pier testing of the south land pier was completed to provide load data on the current capacity of the piers.
- The overland span (Span 1 South Side) demolition began on October 5, 2012. Demolition and clean up of Span 1 was completed on November 13, 2012. Stantec Consulting is currently working on RFP documents for the design-build project so that the project will be ready to proceed when funding becomes available.

Acceptable Levels of Service for Basic Infrastructure

- The Administration presented state of infrastructure reports, including sidewalks, roads, bridges, lanes, and boundary roads, which defined service levels and recommended funding levels. It also presented options regarding levels of service for snow and ice removal and related funding levels.

URBAN PLANNING AND DEVELOPMENT

A proactive approach to community planning that accommodates growth and change while balancing long-term economic, environmental and social needs, and achieving the desired quality of life expressed by our citizens.

The primary goal of the Urban Planning and Development business line is to build an increasingly sustainable community over time with an enhanced quality of life, which is consistent with the vision and core strategies of the City's Strategic Plan. This is accomplished through the provision of several interrelated services:

- Planning for the future growth of the city with long-range land use and infrastructure plans that are efficient and sustainable.
- Planning new development areas to ensure there are appropriate amounts of land for areas to work, live, and shop, and that these lands are situated in a compatible way with good access to transportation and community facilities, and a variety of housing options and price ranges.
- Encouraging economic development by supporting the Saskatoon Regional Economic Development Authority; assisting the start-up of new businesses; and providing advice and timely reviews for new development applications.
- Renewing and sustaining existing areas of the city through local area plans, neighbourhood rejuvenation projects, incentives for supportive and affordable housing, and appropriate licensing and civic bylaw enforcement.

- Providing quality public spaces throughout the city through streetscape master plans and urban design projects in key areas such as the downtown and business improvement districts.
- Providing timely reviews of building permit applications to ensure the health and safety of owners and occupants.
- Continually monitoring the quality of life in our community, with our partners at the University of Saskatchewan and the Saskatoon Health Region, to facilitate ongoing evaluation of our Strategic Plan performance.
- Collaborating with our regional partners to build an economically and environmentally sustainable region.

In recent years, it has become increasingly apparent that the sustainability of our community, from an economic, environmental, social, and cultural perspective, will require new approaches to the way we plan and build our city. This is especially true in our current high-growth environment. Therefore, while we will always pay attention to our citizens' current needs in all our service line activities, we will also look to the future in everything we do to ensure Saskatoon remains economically viable and environmentally, socially, and financially sustainable over the long term.

2012 at a Glance

- Saskatoon is growing, with 239,000 people in the city and over 280,000 in the region. Saskatoon has grown by over 7,000 people in the last year alone.
- To facilitate growth, new concept plans are soon to be approved in Kensington, College Quarter, and the Holmwood Sector.
- In 2012, 5,196 building permits were approved, up from 4,651 in 2010. There are now 9,950 licensed businesses in Saskatoon - an increase from about 7,950 in 2007.
- Over 500 property-use complaints were received in 2012, along with 70 applications to legalize existing basement suites.
- There are 11 neighbourhoods with approved Local Area Plans (LAP), with 1 LAP now being prepared and 3 more coming in the near future.
- Beginning in 1990 with 21st Street, the Urban Design Program has since designed and implemented over 60 blocks of designed streetscapes, creating vibrant, award winning spaces for people and businesses.
- Two Concept Plans are being prepared in the Corman Park - Saskatoon Planning District, and the City will continue to plan with its regional partners in 2013.
- In 2012, over 150 significant development applications of all types were received, with over 15 requiring public consultation meetings.

Major Projects and Initiatives 2012

Affordable Housing

- Preliminary results for the period of 2008 through 2012 indicate that our programs have been successful in providing new units.
- The funding strategy for affordable housing was through the Operating Budget and the Neighborhood Land Development Fund. Due to new Provincial funding available to the City, this strategy will be deferred for at least two years. The new funding commitment from the Provincial Government will be used as the source of funding for existing programs.

Enhance Relationships with First Nations

- The City and the RM of Corman Park are preparing Concept Plans to guide land use and development in the joint Corman Park Saskatoon Planning District. As part of this work, the municipalities have met with several First Nations which have land development interests in the area.

New Sector Plans

- The East Sector Plan, 'Holmwood' was approved by City Council on April 16, 2012.
- The North Sector and South West Study Area in the Confederation Sector - Natural Area Screening Studies has been reviewed and we are currently working on land use options.
- Initial discussions have begun for a South West Concept Plan and a North Concept Plan for the Planning District. These are both outside City limits, in partnership with the RM of Corman Park.

New Neighborhoods

- The design and the Concept Plans for Blairmore Neighbourhood #2 and University Heights Neighbourhood #2 are being finalized.
- The College Quarter Concept Plan was approved by City Council.

Continued . . .

Major Projects and Initiatives 2012

Plans for Our Downtown

- Perkins + Will (Vancouver) was selected and approved by City Council as consultants for the North Downtown Master Plan.
- The City Centre Plan - Phase 3 is underway with development scenarios being completed.

Streetscaping

- Central Avenue - construction is complete from 109th to 110th Streets. Trees were planted, and banners and furniture were installed. The balance of the furniture will be installed in 2013.
- 25th Street from Idylwyld Drive to 1st Avenue - the roadwork between 1st Avenue and the CN tracks was completed in December 2012, and the project is expected to be complete by July 2013.

Apply Online for Business Licenses

- The website application for online applications for new business licenses was developed and tested in 2012. Following a soft launch for new online business license applications, the website application for renewal of existing business licenses is expected to be implemented in the first half of 2013.

LAND DEVELOPMENT

Operates on a level playing field with the private sector, and ensures adequate levels of serviced inventory for both residential and industrial land are maintained to meet demand.

Saskatoon has witnessed considerable economic growth in recent years - growth that would have been constrained if sufficient land had not been available for development. The Land Development business line plays an integral role in the city's growing economy. It responds to the needs of a variety of customers in the housing, commercial, institutional, and industrial sectors. It invests capital dollars in the provision of municipal infrastructure, and creates demand for durable products and employment. This adds value to the economy and encourages job growth, positive net migration, and other important multiplier effects.

The City of Saskatoon is unique in that it is a land developer. The Land Bank Program, which was established in 1954, operates on a level playing field with the private sector. Its primary focus is to ensure adequate levels of serviced residential, institutional, and industrial land are available at competitive market value to meet demand. The Land Bank Program is operated on a for-profit basis, with surplus funds allocated for reinvestment in the community.

This business line operates a real estate portfolio to address short and long-term land and facility needs.

The Land Development Capital Program also includes the construction of major arterial roadways, major trunk sewers, primary water mains, and suburban park development. These projects are funded from the collection of off-site levies collected from all land developers, and are necessary for the City to support continuous urban growth.

2012 at a Glance

- Since 2007, City Council has committed over $66.6 million from the City's Neighbourhood Land Development Fund towards a variety of projects, including the Pleasant Hill Neighbourhood Revitalization, Mayfair Pool reconstruction, affordable housing incentives, local area road upgrades, operating budget contributions, and designated future land purchases.
- This was a record year for land sales, totalling $166,269,387. Sale highlights include 789 single-family lot sales, 31.96 acres of institutional/multi-family sales, 86.57 acres of industrial sales/leases, and 1.48 acres of commercial land.

Major Projects and Initiatives 2012

New Neighbourhood - Kensington

- The Kensington Neighbourhood Concept Plan was approved by City Council on April 16, 2012. Servicing of 284 lots in Phase I and II is ongoing.

New Lots Serviced to Meet Growing Demand

- **Evergreen** - Seven parcels (15 acres) of multi-family land were scheduled for servicing; however, due to early snow storms, four of the seven parcels were completed. Of the 453 lots originally planned for servicing in 2012, 340 were allocated to builders and individuals
- **Rosewood** - Two parcels (10 acres) were not completed due to early snow storms. Of the 158 lots planned for servicing, 80% were completed to gravel base in October of 2012. All lots were offered by lot draw in November/December of 2012. Some inventory of large estate-type lots is expected at the conclusion of the draw. This inventory will be available for sale over the counter in 2013.
- **Hampton Village** - Two parcels (7 acres) were serviced. All 153 City lots and 143 Dundee lots have been completely serviced and allocated to builders or individuals. Two remaining City-owned multi family parcels on Richardson Road will be sold via public tender in 2013. These parcels are the final sites to be sold in the Hampton Village neighbourhood.
- **Marquis Industrial Area** - 72 acres were fully serviced, with 26 parcels totaling 47 acres being released via public tender, which closed on December 19, 2012. Remaining inventory is being held back, pending a direct sale proposal or will be sold, when Marquis Drive is extended in 2013.

Continued . . .

Major Projects and Initiatives 2012

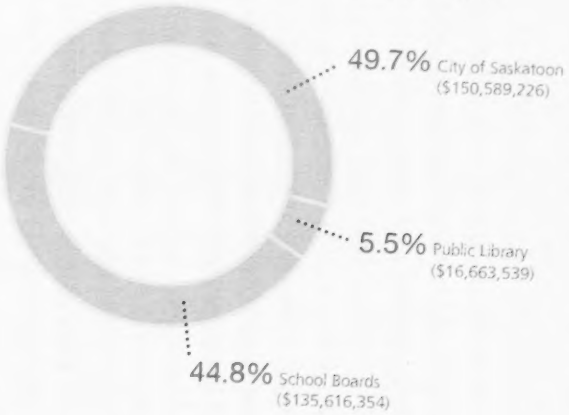
New Park Development in Stonebridge, Rosewood, Evergreen, Lakewood Suburban, and Hampton Village Neighbourhoods.

- The following parks have been substantially completed: John Brockelbank, George Dyck, Prebble, Jill Postlethwaite, Mark Thompson, Patricia Roe, Peter Zakreski, and landscaping of the 22nd Street Entrance.
- Construction will be ongoing in 2013 for the following parks: Hyde, Adams, Cannam, Klombies, and Funk.

Review New Neighbourhood Design Standards from a Long-term Transit Perspective

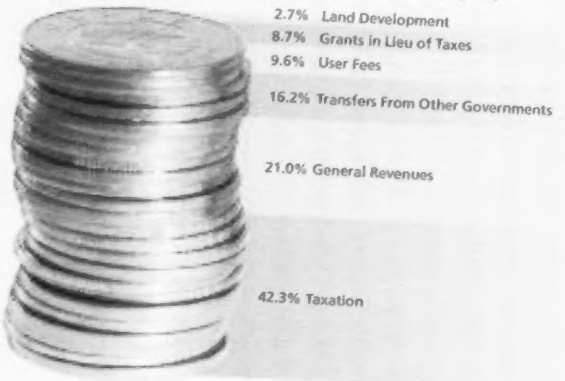
- New neighbourhoods are being designed to inherently support transit. This is achieved by concentrating density along nodes and corridors that will be long term transit routes, and ensuring there is connectivity between neighbourhoods along these corridors. New Neighbourhood Design Standards will be researched and reviewed, and brought forward for consideration in early 2013.

2012 Distribution of Property Taxes



Where the Money to Run the City Comes From

(Based on Revenues in Schedule 6, page 85)



Where Your Municipal Tax Dollars are Spent

(Based on Revenues in Schedule 6, page 85)

FINANCIAL MANAGEMENT AND CONTROL

Corporate Planning Process

City Council's current Strategic Plan sets out a vision for the community, a mission statement, and a set of corporate values and strategies.

The Capital Budget process decides, based on City Council's priorities, which projects will proceed over which timeframe. Long-term capital planning (through the five-year plan) and reserve policies attempt to match required funds to required projects.

The Operating Budget allocates resources under the principle of continuing to deliver existing services and service levels. In addition, it recommends service level changes for specific programs based on a number of factors (usage, demand, ability to pay, growth, legislative change, business case, etc.). Choices are put before City Council on issues that have been raised by City Council, raised by the public, and/or identified by the Administration.

Annual Financial Reports

A number of annual financial reports are submitted to City Council for its information and review, including the financial reports, capital project status reports, benchmarking and performance measurement reports, and the public accounts.

The annual Financial Report includes the consolidated financial statements prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These statements are audited by the City's appointed external auditor.

Financial Policies

The City of Saskatoon operates under a number of financial policies, some of which have received formal approval by City Council; others are based on fiscal responsibility.

Property Tax Policies

In 2001, City Council resolved that commercial property be taxed at 1.75 times the residential rate (shifted over a ten-year period) and that the effective tax rate between residential, condominium, and multi-family residential classes be equalized.

Investment Policy

City Council has approved a policy on portfolio management, which ensures that City portfolios are invested to primarily achieve the preservation of capital, the maintenance of liquidity sufficient to meet on-going financial requirements, and to maximize return on investment. Specific guidelines are outlined regarding the type of securities approved for purchase, investment limitations, and term structure.

Reserve Policies

City Council has established reserves through bylaws to fund capital projects, and through policy to provide a source of funds to stabilize specific user pay programs and/or general revenue variances.

The majority of capital work undertaken by the City is funded through dedicated reserves. The purpose, funding source, and withdrawal criteria are specifically outlined within bylaws. City Council approval is required for all withdrawals. The remaining reserves are specifically outlined in policy; a majority of these are used to stabilize specific programs either funded through user fees (golf courses), are dependent upon weather (snow and ice management), or are used to fund overall operations against revenue variances (interest earnings).

Debt Management Policies

The City of Saskatoon has operated primarily under a "pay-as-you-go" philosophy whereby its facilities and infrastructure are built based on current and projected reserve balances. The City Council approved policy on borrowing for capital projects specifically outlines borrowing only if sufficient funds are not otherwise available in existing reserves or through external sources, if funds will be recovered from future operating revenues or operating savings, and/or it would be equitable to extend the capital financing through borrowing for major capital initiatives to future users.

SERVICES PROVIDED BY CITY DEPARTMENTS

Office of the City Manager

The City Manager is the Chief Administrative Officer of the City of Saskatoon. The position is responsible for planning, directing, supervising, coordinating, and controlling all municipal operations as approved by City Council.

The City Manager's responsibilities include providing assistance and advice on various aspects of municipal operations, investigating and reporting on all matters referred by City Council and its committees, and submitting the capital and operating budgets to City Council for review.

The City Manager chairs the Management Committee (comprised of all General Managers, the City Solicitor, the City Clerk, and the Chief of Police as a liaison) which is responsible for coordination of all City-wide management and operational matters.

The City Manager is the direct supervisor of all General Managers and through them, all Branch Managers and civic employees (except for those boards which are responsible to City Council). This includes the appointment, promotion, demotion, and suspension of employees of the City, except those employees appointed directly by City Council.

The City Manager's Office also conducts or directs special projects and intergovernmental affairs.

Strategic and Business Planning

The Strategic and Business Planning division of the City Manager's Office is responsible for aligning the community's vision for Saskatoon with the City of Saskatoon's Strategic Plan. The Strategic Plan was completed in 2011 and will reflect the community's values and what is important to the citizens of Saskatoon. The Strategic Plan identifies strategic goals, indicators of success, performance targets, and initiatives that City Council has identified as the priorities for the next four years. The Strategic Plan will provide the direction for the respective departments and operational units within the City to develop its business plans in order to achieve the strategic goals and the performance targets that have been set.

This division also leads the initiatives that support the corporation to become more adaptive and responsive to the changing needs of our community. The City of Saskatoon is exploring and implementing new ways of improving our service, increasing our savings, and growing our city in a sustainable way. One of the key deliverables from these initiatives is to create a culture of innovation and creativity within the corporation. This is an environment where staff is well prepared, and willing to take on new challenges with new approaches, and new strategies with enthusiastic energy and drive. In essence, the City of Saskatoon is preparing as an organization, to act faster and become a world class innovator.

Government and Aboriginal Relations

The Government and Aboriginal Relations division of the City Manager's Office is primarily responsible for building and maintaining relationships with other municipalities, municipal associations, federal and provincial orders of government, and Aboriginal governments. In performing this key function, the division analyzes key policy decisions, issues, and trends emerging from other orders of government, including Aboriginal governments, public policy institutes, and the media as related to the policies and operations of the City of Saskatoon. This includes reviewing and analyzing legislative changes; reviewing and analyzing federal and provincial budgets; reviewing and analyzing changes to government policies and programs with respect to the potential impact on the City; engaging key government officials on behalf of the corporation; interacting with municipal associations on behalf of the corporation; interacting with the local Aboriginal community, Aboriginal government and federal and provincial departments responsible for Aboriginal affairs; and supporting various advocacy efforts aimed at governments and other key stakeholders on issues related to the corporation.

Communications

The Communications Branch plans and directs all corporate communication activities for the civic administration including the development and implementation of public, employee and media relation strategies. The Branch operates in a consultative capacity to Senior Management on communication issues, community engagement, and acts as an internal consultant for departments that do not have resources dedicated to marketing and communications.

Office of the City Clerk

The primary responsibility of the City Clerk's Office is to administer the City's legislative processes. Responsibilities include: preparing and distributing agendas, minutes, and decisions of City Council and its committees; ensuring that the business of City Council and its committees is conducted in accordance with *The Cities Act* and other relevant legislation; maintaining corporate records and City Archives; conducting municipal elections, administering the provisions of *The Local Authority Freedom of Information and Protection of Privacy Act,* and providing administrative support services to City Councillors.

Office of the City Solicitor

The Office of the City Solicitor provides general and specialized legal services for the corporation. While it reports directly to City Council, the Office also provides legal services to all civic departments and boards. The major areas of responsibility include giving legal advice to City Council, the City Manager, and other civic departments; representing the City at all levels of court; doing all the legislative drafting and all bylaw enforcements for the City; and providing a wide variety of legal work such as land transactions, contracts, and risk management.

Community Services Department

The Community Services Department provides programs, services, and resources to create a community in which people of all ages and cultural backgrounds want to live, work, play, and visit. Through community consultation and the dedication of our employees, we continue to strive for excellence.

Building Standards Branch

The Building Standards Branch issues building and plumbing permits, and administers inspection programs related to regulations contained in the Building Bylaw, the Swimming Pool Bylaw, *The Uniform Building and Accessibility Standards Act*, the National Building Code, and the Plumbing and Drainage Regulations.

Business Administration Branch

The Business Administration Branch provides coordinated support for the following functions: financial accountability; implementation and maintenance of business and information management systems; marketing strategies and communication programs; human resource management; and clerical services.

Planning and Development Branch

The Planning and Development Branch is responsible for overall land use planning and development activity in the City of Saskatoon. The primary goal of the Branch is to build an increasingly sustainable community over time, with an enhanced quality of life, consistent with the vision and core strategies of the City's Strategic Plan. The mandate of the Branch includes primary responsibilities for district planning, future growth, land use and zoning policy, development review, planning for new neighbourhoods, revitalizing existing communities, affordable housing, community safety, community and demographic research, heritage management, business licensing, and bylaw enforcement.

Community Development Branch

The underlying objective behind the Community Development Branch activities is to provide the supportive environment and capacity that empowers members of the community. The Branch is also responsible for the Cultural Diversity and Race Relations Policy.

Land Branch

The Land Branch plans, services, and sells residential, commercial, and industrial lots owned by the City of Saskatoon. The Branch is also responsible for urban design which provides design services for streetscape projects and programs primarily in Saskatoon Business Improvement Districts.

Leisure Services Branch

The Leisure Services Branch ensures that a broad range of sport, culture, parks, and recreation opportunities are available and affordable to residents and visitors. Programming is offered through leisure centres, rinks, a zoo, golf courses, a campground, a speed skating oval, and various park locations.

Corporate Services Department

The Corporate Services Department's role is to help the institution work effectively and efficiently. The Department is responsible for the finance function, information technology and services, purchasing and inventory, and administrative support services within the corporation. These responsibilities are delivered through four branches.

Assessment Branch

This Branch is responsible for establishing and providing the assessment of all real property located in the City of Saskatoon in compliance with provincial legislation, producing the assessment roll, and defending such assessments before the Board of Revision and the Saskatchewan Municipal Board.

Finance Branch

This Branch is responsible for providing corporate financial recording, reporting, and control; supplier payments; administration of the City's Operating and Capital Budget process; employee payroll and benefits; and payments to superannuates. In addition, general financial management services are provided to all departments and boards.

Corporate Information Services Branch

The mandate of the CIS Branch is to ensure the effective management of the City's information assets and supporting technologies. The Branch's mission is "to assist and enable civic departments to meet their goals and objectives through leadership in technology services and solutions". CIS also provides supply management, printing, and mail services to the corporation.

Revenue Branch

This Branch is responsible for the collection, control, and disbursement of all corporate funds, including the investment function. This includes responsibility for the billing and collection of property taxes, electrical, water and sewer utility services, and matters related to municipal licensing. Other responsibilities include administration of the Animal Services Program and the regulating of the General Licensing Bylaw.

Fire and Protective Services Department

Saskatoon Fire and Protective Services (SFPS) provides 24 hour emergency response service in conjunction with the Saskatoon Emergency 9-1-1 Telephone System. This gives residents of Saskatoon an emergency protective services delivery system consisting of a wide range of components for the sole purpose of preventing emergencies and reducing the loss of life and property. SFPS responds to, and mitigates, emergencies involving the rescue of persons, incidents of fire, unplanned releases of dangerous goods, and pre-hospital emergency medical incidents. SFPS provides community-based, customer-focused service to create a safe and comfortable environment for the residents of Saskatoon.

SFPS protects the City's tax base and supports economic development through extensive inspection, prevention, and enforcement programs carried out by the Fire Prevention and Investigation Division.

The Department's Community Relations Division works within the community promoting fire safety and injury prevention. Presentations are offered to students, community groups, parenting resource programs, seniors, and employee groups. The Division, through Program Firestop, also provides education to parents and children, and referral for juveniles suspected of setting fires.

SFPS manages the Emergency Measures Organization, which undertakes to ensure a coordinated and timely response in the event of extraordinary emergencies that overwhelm existing resources.

Human Resources Department

The Human Resources Department consists of three branches: Employment and Total Compensation, Labour Relations, and Occupational Health and Safety.

Employment and Total Compensation Branch

This Branch acts as a central resource for the following areas: recruitment; diversity; classification, job evaluation, and pay research; pension and benefits administration; organization and employee development.

Labour Relations Branch

The Labour Relations Branch is responsible for collective bargaining with all unions and associations representing civic employees; implementation, administration, and interpretation of collective agreements, grievance decisions, and arbitration awards; and timely and accurate advice and counsel to City Council and management regarding labour relations issues.

Occupational Health and Safety Branch

The Occupational Health and Safety branch provides resources in health and safety to all of the departments as well as the boards within the corporate structure. The City has Health and Safety Management System which focuses on leadership, hazard recognition and control, incident prevention as well as health and safety related training. Additionally, the Branch promotes healthy workplace and wellness initiatives and offers programming to support work/life balance. The Disability Assistance Program assists with injury/illness management and support for employees suffering from occupational or non-occupational injury/illness greater than 10 days.

Infrastructure Services Department

The Infrastructure Services Department is responsible for the planning, operation, and maintenance of many of the City's assets including those involved with water distribution, sanitary sewage collection, storm water collection, roadways, bridges, parks and open spaces, public cemeteries, vehicle and equipment fleet, and City-owned buildings and structures. The Department is organized into seven branches.

Administration Branch

The Administration Branch is responsible for providing support services to the department in the areas of financial, system support, clerical, administrative, and human resource services.

Construction and Design Branch

The Construction and Design Branch acts as an "in-house" civil engineering service, providing functional and detailed design, construction, and regulatory services to the Infrastructure Services Department, and other departments as required. Major activities include land development management, servicing agreements, subdivision and discretionary use applications, construction project management for new roadways, interchanges, and water and sewer systems.

Facilities Branch

The Facilities Branch is responsible for the City's buildings and structures, the City-owned vehicle and equipment fleet, and the City's radio communications system. As such, the Branch provides for building operation and maintenance of civic facilities such as leisure facilities, fire halls, transit buildings, City office buildings, and contracted services for the Boards. Project management services for any capital or maintenance projects are provided, including design, contract tendering and award, and construction management. Energy management, space management, and accommodation planning are also provided for user departments.

Parks Branch

The Parks Branch is responsible for the maintenance and preservation of more than 1,600 hectares of the City of Saskatoon's parks and civic open spaces. This is accomplished by utilizing horticultural maintenance standards, maintenance contracts, and policy development. The responsibility of the Branch extends to maintenance of civic green space, parks, and boulevards, as well as maintenance and operation of the Woodlawn and Nutana Pioneer Cemeteries, the Greenhouse/ Conservatory Program, the Pest Management Program, and the Urban Forestry Program.

Public Works Branch

The Public Works Branch is responsible for the operation, maintenance, and preservation of roads, lanes, sidewalks, water mains, sanitary sewer mains, and storm sewer mains.

Strategic Services Branch

The Strategic Services Branch serves to separate the time consuming long-term strategic functions from the day-to-day operations. The Department relies on the Branch to lead engineering policy and procedure development, to coordinate initiatives as required, and to develop and manage long-term strategies for the preservation of the City's key infrastructure assets.

Transportation Branch

The Transportation Branch provides planning, design, regulation, and operation of the City's transportation network. Major activities include planning for the transportation network, traffic management and operations, parking control and enforcement, and regulatory control of the right-of-way through bylaw enforcement. The goal of the Transportation Branch is to provide for the safe and efficient movement of people, goods, and services within and through Saskatoon in a cost-effective manner.

Utility Services Department

A "utility" is simply a service provided to the public for a fee, such as electricity, water, or transportation. This Department brings together the majority of utilities that generate revenue from fees charged directly to the user. Utility Services is divided into six branches.

Business Administration Branch

The Business Administration Branch provides financial leadership to all branches of the Utility Services Department. This includes providing advice or direction for budget submissions, managing the revenue processing, financial reporting, managing the accounting process for the Department's assets, financial audits in coordination with the auditor, and managing the Department's payroll and accounts payable function.

Utility Rates and Performance Branch

The Utility Rates and Performance Branch provides rate design and analysis, revenue budget preparation, and performance measurement and reporting for the Department. The Branch is responsible for bulk power and natural gas purchases, and assists with diesel and gasoline purchase strategies.

Environmental Services Branch

The Environmental Services Branch administers programs and capital work relating to the reduction of corporate and community greenhouse gases through the Partners for Climate Protection Program; development, implementation, and maintenance of the corporate Environmental Management System; promotion of environmental and sustainability initiatives; brownfield remediation and environmental site assessments coordination; solid waste collection, disposal, and reduction; landfill operations; waste minimization programming; and laboratory services to support all necessary operational needs and projects of the Water and Wastewater Treatment Plants.

Saskatoon Light & Power

The City of Saskatoon operates an electric utility providing electrical service to the area of Saskatoon that lies generally within the 1958 city boundary. Bulk electrical power is purchased from the provincial crown utility, SaskPower, and through a system of transmission lines, substations, and distribution lines with associated distribution hardware, this utility distributes electricity to customers on demand at locations and at voltages appropriate to their needs. The utility is also responsible for the street lighting system.

Saskatoon Transit

Saskatoon Transit operates and maintains Saskatoon's public transit system. The Branch also provides Access Transit for individuals who are unable to use the regular transit system with safety and dignity. Saskatoon Transit operates six terminals spread throughout the city. Saskatoon Transit's service includes DART (Direct Access Rapid Transit) which serves all major quadrants of the city and can best be described as a light-rail system on wheels.

Water and Wastewater Treatment Branch

The Water and Wastewater Treatment Branch is responsible for the operation and maintenance of the City's water and wastewater treatment, the handling and disposal of solids resulting from the treatment processes, the remote water and wastewater pumping facilities, ongoing process optimization and environmental studies, long-term expansion planning, related construction project management and capital work, and the testing and maintenance of water meters.

Boards

Credit Union Centre (Legal name: Saskatchewan Place Association Inc.)

Credit Union Centre, Western Canada's most versatile and exciting trade, sports, and entertainment centre, can accommodate over 14,500 patrons.

The building has been the site of world and Canadian sporting championships, major concerts, and trade shows, and is the home of the Saskatoon Blades of the Western Hockey League. The hosting of these events brings over 700,000 patrons through Credit Union Centre on an annual basis.

Mendel Art Gallery and Civic Conservatory

The Mendel Art Gallery and Civic Conservatory was opened in 1964 and named to honour Frederick S. Mendel, industrialist and art connoisseur, who established his business and home in Saskatoon in 1940.

Selections from the Gallery's collection are exhibited regularly, along with regularly scheduled contemporary and historical exhibitions of local, national, and international origin. Each year, approximately 20 exhibitions are presented without charge for the benefit of Saskatonians and visitors to the city. The Mendel Art Gallery and Civic Conservatory is operated as a civic corporation under a board of appointed trustees.

Saskatoon Police Service

The operations of the Saskatoon Police Service (SPS) are established under the authority of *The Saskatchewan Police Act, Part III*, Section 25 and 26, and under the City of Saskatoon Bylaw 5728. The Saskatoon Board of Police Commissioners is appointed by City Council to oversee the police operations and consists of the Mayor, two City Council members, and two citizens-at-large.

The Board is subject to the legislative jurisdiction of City Council to the extent only that the amount expended for upkeep of the SPS must not exceed the amount fixed by the current estimates of City Council for that purpose.

The SPS is equipped and trained for the most current needs in the delivery of a police service in partnership with the community. They also offer emergency services, take complaints of crime, conduct follow-up investigations and preventative activities throughout the city on a 24-hour basis.

Saskatoon Public Library

The Saskatoon Public Library, which first opened for circulation in May 1913 in the basement of the Odd Fellow's Hall, is now a city-wide system consisting of the central library and seven branches. The Library is supported by City taxation and provincial government grants, but direct service to each Saskatoon resident is free of charge.

The Library is a community resource centre, offering books, DVDs, CDs, CD-ROMs, magazines, newspapers, maps, audio cassettes, public computers with internet service, telephone books, pamphlets, government documents, trade directories, indexes, and other materials and programs to meet public informational, educational, and recreational needs. City Council minutes, reports, studies, and other civic material are available and may be consulted in the Library.

An automated circulation system operates in the central library and branches. The host computer is housed in the Frances Morrison (central) Library. This facility makes the collection of the entire system more accessible to all users and allows the Library a much more accurate inventory of the location of materials at any given moment.

TCU Place (Legal name: Saskatoon Centennial Auditorium and Convention Centre Corporation)

TCU Place was a project to commemorate the centennial of the founding of the Dominion of Canada. It is an imposing and beautiful building in the heart of the city, adjacent to a major shopping complex, steps away from first-class hotels, restaurants, boutiques, and parking facilities for 2,000 vehicles. The facility is equipped with sophisticated aids for audio, visual, stage, or exhibit requirements; maintains an in-house catering/banquet service; and is part of a province-wide box office. TCU Place's 2,000 soft-seat concert theatre has brought heartwarming praise from numerous world class entertainers and artists, touring companies, ballet companies, and local and international performing art groups, and is home of the Saskatoon Symphony.

With 104,000 square feet of high-end convention space, TCU Place is poised for the large-sized national and international convention market, with first-class convention facilities and services.

In addition, the box office is part of the Ticketmaster ticket distribution system that sells tickets not only for TCU Place but also Credit Union Centre, and other venues across Canada. TCU Place is owned by the City of Saskatoon and is operated by the Saskatoon Centennial Auditorium and Convention Centre Corporation. The Corporation, as well as the Saskatoon Centennial Auditorium and Convention Centre Foundation, consists of a Board of Directors with representation from City Council and the general public.

CONSOLIDATED FINANCIAL STATEMENTS

City of Saskatoon, Saskatchewan, Canada
Year Ended December 31, 2012

Management Report

City of Saskatoon

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of management. The Consolidated Financial Statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The preparation of the statements necessarily includes some amounts which are based on the best estimates and judgements of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are reliable for the presentation of financial statements.

The Audit Committee of the City of Saskatoon comprises five elected officials who are appointed annually. The Committee recommends the engagement of the Internal and External Auditors, approves the annual and long-term audit plans, and reviews the audit reports and the audited financial statements for presentation to City Council.

Deloitte LLP, Chartered Accountants, the City's appointed external auditors, have audited the Consolidated Financial Statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the consolidated financial statements, follows.

Murray Totland, P. Eng., MBA
City Manager

Marlys Bilanski, CMA, FCMA
General Manager, Corporate Services

August 21, 2013

Independent Auditor Report - Deloitte LLP Chartered Accountants

To His Worship the Mayor and City Council:

Report on the Financial Statements
We have audited the accompanying financial statements of the City of Saskatoon, which comprise the consolidated statement of financial position of the City of Saskatoon (the "City") as at December 31, 2012 and the consolidated statements of operations, cash flow and changes in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reaonsableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Saskatoon as at December 31, 2012 and the results of its operations, cash flow, and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The current year's supplementary information included in the schedules and appendices is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Deloitte LLP

Chartered Accountants

Saskatoon, Saskatchewan

August 21, 2013

Consolidated Statement of Financial Position

As at December 31, 2012 (in thousands of dollars)

	2012	2011
Financial Assets		
Cash and Cash Equivalents (Note 2)	$ 71,913	$ 76,634
Taxes Receivable (Note 3)	9,146	8,141
Accounts Receivable and User Charges (Note 3)	145,422	123,868
Loan Receivable (Note 4)	4,238	4,678
Land Inventory for Resale	4,672	3,639
Other Assets (Note 5)	5,576	5,207
Investments (Note 6)	299,358	251,750
Accrued Pension Asset (Note 8)	14,826	27,336
Total Financial Assets	**555,151**	**501,253**
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	120,119	112,569
Deferred Revenue (Note 10)	90,648	131,609
Term Debt (Note 11)	197,125	127,368
Employee Benefits Payable (Note 12)	32,198	30,857
Total Financial Liabilities	**440,090**	**402,403**
Total Net Financial Assets	**115,061**	**98,850**
Non-Financial Assets		
Prepaid Expenditures	2,516	2,948
Tangible Capital Assets	2,905,159	2,605,861
Inventory of Materials and Supplies	11,865	10,873
Total Non-Financial Assets	**2,919,540**	**2,619,682**
Accumulated Surplus (Note 20)	**$ 3,034,601**	**$ 2,718,532**

Consolidated Statement of Operations

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Revenues			
Taxation (Note 7)	$ 163,449	$ 166,000	$ 154,687
Grants in Lieu of Taxes (Note 7)	4,111	4,043	4,133
User Charges	309,522	316,826	300,291
Government Transfers (Note 13)	57,287	58,578	54,205
Investment Income	9,666	11,305	10,987
Contribution from Developers and Others	-	167,564	104,288
Other	31,278	35,386	32,956
Total Revenue	**575,313**	**759,702**	**661,547**
Expenses			
General Government	26,782	25,177	23,865
Transportation	109,402	126,176	103,488
Protection of Persons and Property	124,092	125,748	121,824
Recreation and Culture	78,500	88,452	83,536
Social and Family Services	3,338	8,784	8,453
Planning and Development	31,497	27,976	36,879
Saskatoon Light & Power	92,330	89,733	86,930
Environmental Health	68,383	81,036	86,834
Debt Servicing Costs	11,014	5,999	4,019
Total Expenses	**545,338**	**579,081**	**555,828**
Surplus of Revenues over Expenses before Other Capital Contributions	**29,975**	**180,621**	**105,719**
Other Capital Contributions			
Government Transfers (Note 13)	-	77,220	110,455
Contribution from Developers and Others	-	58,282	41,079
Federation of Canadian Municipalities	-	-	217
Federation of Canadian Municipalities Green Fund Grant	-	(54)	54
Western Economic Diversification	-	-	5
Total Other Capital Contributions	**-**	**135,448**	**151,810**
Surplus of Revenues over Expenses	-	316,069	257,529
Accumulated Surplus, Beginning of Year (Note 20)	-	2,718,532	2,461,003
Accumulated Surplus, End of Year		**$ 3,034,601**	**$ 2,718,532**

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012	2011
Cash Flows from (used in) Operating Activities:		
Surplus of Revenues over Expenses	$ 316,069	$ 257,529
Changes in Non-Cash Items		
Taxes Receivable	(1,005)	(382)
Accounts Receivable and User Charges	(21,554)	(27,748)
Loan Receivable	440	425
Land Inventory for Resale	(1,033)	2,082
Other Assets	(369)	1,003
Accrued Pension Asset	12,510	6,136
Prepaid Expenditures	432	6
Inventory of Materials and Supplies	(992)	(863)
Accounts Payable and Accrued Liabilities	7,550	10,384
Deferred Revenue	(40,961)	(27,644)
Employee Benefits Payable	1,341	2,651
Amortization	83,642	75,187
Total Cash Flows from Operating Activities	**356,070**	**298,766**
Cash Flows from (used in) Investing Activities:		
Increase (decrease) in Investments	(47,608)	85,266
Cash Flows from (used in) Financing Activities:		
Proceeds from Term Debt	90,000	-
Term Debt Repaid	(20,243)	(18,142)
Total Cash Flows from (used in) Financing Activities	**69,757**	**(18,142)**
Cash Flows used in Capital Activities:		
Acquisition of Capital Assets	(382,940)	(329,418)
Total Cash Flows used in Capital Activities	**(382,940)**	**(329,418)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(4,721)**	**36,472**
Cash and Cash Equivalents at Beginning of Period	76,634	40,162
Cash and Cash Equivalents at End of Period	**$ 71,913**	**$ 76,634**

Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012	2011
Surplus of Revenues over Expenses	$ 316,069	$ 257,529
Net Acquisition of Tangible Capital Assets	(382,940)	(329,418)
Amortization of Tangible Capital Assets	83,642	75,187
Deficit from Capital Transactions	**(299,298)**	**(254,231)**
Net Change in Prepaid Expenses	432	6
Net Change in Inventory of Materials and Supplies	(992)	(863)
Deficit from other Non-financial Expenditures	**(560)**	**(857)**
Increase in Net Financial Assets	16,211	2,441
Net Financial Assets, Beginning of Year	98,850	96,409
Net Financial Assets, End of Year	**$ 115,061**	**$ 98,850**

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

1. Accounting Policies

The consolidated financial statements of the City of Saskatoon (the "City") are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants ("CICA"). Significant aspects of the accounting policies adopted by the City are as follows:

a. Basis of Consolidation

i. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenditures, and fund balances of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City, namely:

- General Revenue and Capital Funds
- Board of Police Commissioners
- Wastewater Utility
- Storm Water Management Utility
- Water Utility
- Saskatoon Light & Power
- Transit Utility
- Mendel Art Gallery
- Centennial Auditorium (Operating as TCU Place)
- Saskatchewan Place (Operating as Credit Union Centre)
- Saskatoon Public Library
- Saskatchewan Information and Library Services Consortium Inc. (SILS)
- Reserve Funds

All interfund amounts have been eliminated through the consolidation. Schedule 6, and supporting Appendices 1 to 7, include only those revenues and expenditures reflected in the City's annual Operating Budget, which is prepared to identify the City's property tax requirements. Excluded from this Schedule are the operations of the Mendel Art Gallery, TCU Place, Credit Union Centre, Saskatoon Public Library, and the Sinking Fund.

The Saskatoon Public Library has an interest in the Saskatchewan Information and Library Services Consortium Inc. ("SILS"), which has been proportionately consolidated.

ii. Trust and Pension Funds

Trust funds (see Note 16) and pension funds and their related operations administered by the City are not reflected in the consolidated financial statements.

iii. Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets, and liabilities with respect to the operations of the school boards, are not reflected in the municipal fund balances of these financial statements. Amounts due to/from school boards are reported on the Consolidated Statement of Financial Position as accounts payable/accounts receivable.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

1. Accounting Policies (continued)

b. Basis of Accounting

i. Revenues and Expenditures

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from development charges for services that have not yet been provided at the time the charges are collected are accounted for as deferred revenue until used for the purposes specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

ii. Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. A provision has been recorded in Accounts Payable and Accrued Liabilities for potential losses on assessment appeals outstanding as of December 31, 2011.

iii. Cash Equivalents

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

iv. Inventories of Materials and Supplies

Inventories of materials and supplies are valued at the lower of cost and net realizable value. Cost is determined using average laid in costs.

v. Land Inventory for Resale

The City is one of the primary property developers in the municipality. Land inventory for resale is recorded at the lower of adjusted cost and net realizable value. Adjusted cost includes amounts for land acquisition and improvements to prepare the land for sale. Land is available for resale when approved for sale by the Land Bank Committee and when all municipal services have been completed.

vi. Investments

All investments are recorded at amortized cost using the effective interest rate method. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis. When there has been a loss in a value of an investment that is other than temporary decline, the investment is written down to recognize the loss and the loss is recognized in the consolidated statement of operations.

vii. Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the revenue amount can be made.

viii. Pension Amounts

The City of Saskatoon makes contributions to the General Superannuation, Part-Time and Seasonal Employee Superannuation, Police Superannuation, and Fire and Protective Services Department Superannuation Plans on behalf of its staff. All plans are defined benefit plans with the exception of the Part Time and Seasonal Employee Plan. Pension expense for the defined benefit plans are based on actuarially determined amounts. Pension expense for the defined contribution plan is based on the City's contributions.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

1. Accounting Policies (continued)

b. Basis of Accounting (continued)

ix. Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Significant estimates include pension amounts, employee benefits payable, landfill liability, and the amortization of tangible capital assets.

x. Segmented Reporting

Segmented information on the Consolidated Financial Activities is presented on Schedule 4. It is based on capital and operating services for both utilities and the general City programs, plus information on the Saskatoon Public Library, Mendel Art Gallery, TCU Place, and Credit Union Centre.

xi. Derivative Financial Instruments

The City has entered into two interest rate swap agreements with the Royal Bank of Canada in order to manage the interest rate exposure associated with its term debt loans. The agreements arrange for the exchanging of the floating interest rate cash flows from the underlying debt instruments with fixed interest rate cash flows based on a notional amount. Because the term swap agreement effectively and completely hedges the interest costs on the underlying debt obligations, the City is reflecting the obligation as term debt.

xii. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost less residual value of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

- Buildings ..... 25 to 50 years
- Plants and Facilities ..... 20 to 50 years
- Roadways ..... 20 to 75 years
- Underground Networks ..... 50 to 75 years
- Electrical Utility ..... 10 to 45 years
- Vehicles ..... 4 to 30 years
- Traffic Control ..... 15 to 30 years
- Machinery and Equipment ..... 5 to 25 years
- Land and Land Improvements ..... 20 to indefinite years
- Other: - Furniture and Fixtures ..... 10 to 20 years
  - Information and Communication ..... 10 to 15 years

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

1. Accounting Policies (continued)

b. Basis of Accounting (continued)

xii. Tangible Capital Assets (continued)

A full years amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for use. Interest costs for the construction and development of tangible capital assets are capitalized.

(a) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

(b) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risk incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(c) Land Under Roads

Land under roads that is acquired other than by a purchase agreement is valued at a nominal cost.

(d) Cultural, Historical and Works of Art

The City manages and controls various works of art and non-operational historical and cultural assets including buildings, artifacts, paintings, and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are expensed.

2. Cash and Cash Equivalents

	Cost		Market	
	2012	2011	2012	2011
Cash	$ 71,913	$ 76,634	$ 71,913	$ 76,634
Total	**$ 71,913**	**$ 76,634**	**$ 71,913**	**$ 76,634**

3. Receivables

It is the normal practice of the City to review its accounts receivable on a regular basis and write off any accounts which are considered to be uncollectable. A general allowance of $1,548 (2011 - $1,484) for uncollectable taxes is included in the balance of Taxes Receivable.

4. Loan Receivable

City Bylaw No. 8418 was approved by City Council in 2005 to authorize a 15-year loan in the amount of $10,550 from the City to Saskatoon Soccer Centre Inc. for the construction of the North East Soccer Park, in Forest Park, in Saskatoon. The total annual payment under the loan is shared by Saskatoon Soccer Centre Inc. and the City resulting in an amount receivable from the Saskatoon Soccer Centre Inc. of $7,037 and a deferred grant of $3,513 that is amortized over the life of the loan payments. Interest is recognized as earned at 2.80 percent to 4.60 percent over the life of the loan. Security on the loan is by way of an assignment lease against the Henk Ruys Soccer Centre and the North East Soccer Park. The amount receivable and deferred grant as at the end of December 31, 2012 are $4,238 (2011 - $4,678).

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

5. Other Assets

	2012	2011
Deferred Charges	$ 5,276	$ 4,962
Other Inventory for Resale	300	245
	$ 5,576	$ 5,207

6. Investments

	Cost		Market	
	2012	2011	2012	2011
Federal, provincial, municipal, federal government agency and corporate bonds	$ 299,358	$ 251,750	$ 305,630	$ 260,276

Maturities are between 2013–2024 with effective interest rates of 0.946 percent to 5.25 percent.

7. Net Taxes Available For Municipal Purposes

	2012	2011
Gross Taxation Revenue Collected	$ 306,237	$ 291,384
Taxes Collected on Behalf of Others:		
Saskatoon School Division No. 13	(95,645)	(92,219)
St. Paul's Roman Catholic Separate School Division No. 20	(39,811)	(39,571)
Business Improvement Districts	(738)	(774)
Net Taxes Available for Municipal Purposes	$ 170,043	$ 158,820
Comprised of:		
Municipal	166,000	154,687
Grants in Lieu of Taxes	4,043	4,133
	$ 170,043	$ 158,820

The Education Act and The Cities Act set out the manner in which collection of taxes and trailer license fees are to be submitted to the School Boards and the Business Improvement Districts. As the City is acting as agent only for the collection of such taxes, these amounts are not reflected in the Schedule of Revenue and Expenditures, nor are the Assets, Liabilities, and Fund Balances of these Boards included in the consolidated financial statements.

8. Pension Plans

The City administers four employee pension plans - the General Superannuation Plan, the Police Superannuation Plan, the Fire and Protective Services Department Superannuation Plan, and the Part-Time and Seasonal Employee Superannuation Plan. Combined, these plans provide pension benefits for all eligible staff of the City. General, Police, and Fire Plans are contributory defined benefit plans. The Seasonal Plan is a defined contribution plan. In all Plans, contributions are made by Plan members and the City as stipulated by pension agreements. The defined benefit plans provide for a benefit that is integrated with the Canada Pension Plan, and is based on years of contributory service, times a percentage of average earnings as defined by each plan. The Part-Time and Seasonal Employee Superannuation Plan provides a benefit based on the annuity that can be purchased with the funds in an employee's account (i.e. a money purchase plan).

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

8. Pension Plans (continued)

The accrued pension asset relates to the three main plans – the Retirement Plan for Employees of the City of Saskatoon Board of Police Commissioners, the Retirement Plan for Employees of the Fire and Protective Services Department of the City of Saskatoon, and the General Superannuation Plan for City of Saskatoon employees not covered by the Police and Fire and Protective Services Departments' Superannuation Plans. The General Plan provides for partial inflation protection on benefits accrued to December 31, 2000. Fire and Police plans have provided for partial ad hoc indexing from time to time in the past when deemed affordable through surpluses. The latest increase for eligible retired members of the Fire and General Plan was granted January 1, 2008, and January 1, 2011, respectively. The latest increase for retired members of the Police Plan was granted July 1, 2010. In accordance with the latest filed valuation report as at December 31, 2012, the average age of the 3,308 employees accruing service under the Plans is 43.27 years. There are 30 former employees who are entitled to deferred pension benefits. At present, the Plans provide benefits for 1,668 retirees and surviving spouses; benefit payments were $45,558 in 2012.

Employees make contributions in accordance with the following: General Pension 7.9 percent of salary; Fire Pension 7.7 percent of salary; and Police Pension 8.34 percent of salary while the City contributes an equal amount. In 2012, employee contributions for current service were $17,500 (2011 - $17,000), and the City's contributions were $17,500 (2011 - $17,000). A separate pension fund is maintained for each Plan. Pension fund assets are invested entirely in marketable investments of organizations external to the City. The accrued benefit asset at December 31 includes the following components:

	2012	2011
Accrued Benefit Obligation	$ (976,441)	$ (964,597)
Pension Fund Assets		
Marketable securities	907,785	891,819
	(68,656)	**(72,778)**
Unamortized actuarial losses	83,482	100,114
Accrued Benefit Asset	**14,826**	**27,336**
Net Carrying Value of Accrued Benefit Asset	**$ 14,826**	**$ 27,336**

Actuarial valuations for accounting purposes are performed at least triennially using the projected benefit method prorated on services. The most recent valuations were prepared by AON Consulting as at December 31, 2012. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups applicable to each of the Plans in 2012 of 13.8 years on average (2011 - 13.33 years on average).

The actuarial valuations were based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used represent the City's best estimates. The expected inflation rate is 2.5 percent for the General Plan and 2.5 percent for the Fire and Police Plan. The discount rate used to determine the accrued benefit obligation is 7.0 percent for the General Plan, 6.6 percent for the Police Plan and 6.7 percent for the Fire Plan. The earnings increase rate is 3.5 percent for the General Plan and 3.5 percent for the Fire and Police Plan.

Pension fund assets are valued using a market-related value which amortizes realized and unrealized gains and losses over a five-year period. The expected rate of return on General Plan assets is 7.0, 6.6 percent for the Police Pan assets and 6.7 percent for the Fire Plan assets. The actual rate of return on Plan assets in 2012 was 3.6 percent. The market value of assets at December 31, 2012 was $926,470 (2011 - $849,412).

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

8. Pension Plans (continued)

The total expenditures related to pensions in 2012 include the following components:

	2012	2011
Current period benefit cost	$ 36,158	$ 34,461
Less: Employee contributions	(17,806)	(16,707)
Amortization of actuarial loss	10,589	6,491
Pension Expense Excluding Interest	**28,941**	**24,245**
Interest cost on the average accrued benefit obligation	63,596	60,036
Expected return on average pension plan assets	(62,515)	(61,691)
Pension Interest Expenditure	**1,081**	**(1,655)**
Total Pension Expense	**$ 30,022**	**$ 22,590**

9. Accounts Payable and Accrued Liability

Included in accrued liabilities is $6,884 (2011 - $7,798) for the estimated total landfill closure and post closure care expenditures. The estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenditures recognized as at December 31, 2012, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post closure care activities discounted at the City's average long-term borrowing rate of 3.72 percent. The expense recorded with respect to landfill closure liability is recorded in the Consolidated Statement of Operations.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection, and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 35 year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is 62 percent (2011 - 56 percent) of its total estimated capacity and its estimated remaining life is 46 years (2011 - 52 years). The period for post closure care is estimated to be 35 years (2011 - 36 years).

The expected lifespan for the landfill has been conservatively estimated on the basis of waste diversion rates rising slowly. With the introduction of residential curbside recycling in 2013, the diversion rate is expected to rise from the current level of 23 percent to 40 percent or higher. The optimization strategy for the landfill is also based on the existing facility footprint. Should additional lands be annexed into the landfill footprint, the lifespan would also increase.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

10. Deferred Revenue

	2012	2011
Development Charges	$ 53,449	$ 44,777
Federal Government Transfers	12,296	25,952
Provincial Government Transfers	13,771	47,100
Ticket Sales and Other	11,132	13,780
	$ 90,648	$ 131,609

Government transfers include sources of funding from the federal and provincial governments that are required to be spent on approved eligible capital projects. These transfers are deferred until eligible expenditures are incurred.

11. Term Liabilities

a. Debt

Year Repayable	2012	2011
2013	$ 22,616	$ 18,821
2014	20,037	17,225
2015	20,693	14,639
2016	18,899	15,179
2017	19,508	13,259
2018	20,142	13,732
2019	16,849	14,220
2020	13,352	10,767
2021	7,433	7,099
2022	7,671	997
2023	3,003	1,042
2024	3,097	190
2025	2,986	198
2026	3,078	-
2027	3,171	-
2028	3,267	-
2029	3,368	-
2030	3,469	-
2031	3,575	-
2032	911	-
Total Debt	$ 197,125	$ 127,368

Interest rates range from 1.81 percent to 5.625 percent. All long-term debt instruments have been issued in Canadian Funds.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

11. Term Liabilities (continued)

b. Derivative Financial Instruments Associated with Debt:

	2012	2011
Royal Bank Banker's Acceptance Loan - offering rate plus spread of 0.20% revolves quarterly at progressively smaller amounts until October 2013 (offering rate at December 31, 2011 was 1.28143%).	$ 3,202	$ 6,198
Financial instrument created by interest rate swap agreement - 3.00% terminates October 2013 - the notional amount of this swap is equal to the loan noted above.		
Government transfers include sources of funding from the federal and provincial governments that are required to be spent on approved eligible capital projects. These transfers are deferred until eligible expenditures are incurred.		
Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.20%, revolves quarterly at progressively smaller amounts until October 2018 (offering rate at December 31, 2011 was 1.28143%).	20,755	23,761
Financial instrument created by interest rate swap agreement - 3.58% terminates October 2018 - the notional amount of this swap is equal to the loan noted above.		
Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.30% revolves quarterly at progressively smaller amounts until February 9, 2032 (offering rate at December 31, 2012, was 1.29500%).	53,477	-
Financial instrument created by interest rate swap agreement - 2.78% terminates February 2032 - the notional amount of this swap is equal to the loan noted above.		

c. Regulations

The regulations under *The Cities Act* require that individual debenture issue bylaws be submitted, reviewed, and approved by the Saskatchewan Municipal Board (SMB) with the exception that an urban municipality with a population greater than 30,000 can apply to the SMB for a debt limit. The City's debt limit is $414,000, as approved by the SMB.

12. Employee Benefits Payable

Vacation leave is credited to employees on a monthly basis based on contractual obligations. Such credits are accumulated from the period April 1 to March 31 and may not be taken in advance. Therefore, credits earned from April 1, 2012, to December 31, 2012, would normally be available to employees after April 1, 2013.

The City operates a number of Sick Leave Benefit Plans as stipulated within agreements with the various Unions and Associations of employees. These plans are based on the accumulation of sick leave credits to a specified maximum, or are guaranteed long-term disability plans. For those Unions with accumulated sick leave plans, the employee is entitled to a cash payment under specified circumstances, including retirements, based upon a formula stipulated in the Union Agreements.

Employee benefits payable are recorded as financial liabilities on the Consolidated Statement of Financial Position, offset by a reduction in fund balances. The total of these liabilities is as follows:

	2012	2011
Vacation leave accrual	$ 18,252	$ 18,021
Sick leave credits	13,946	12,836
	$ 32,198	$ 30,857

The City's liability for sick leave credits is an actuarially determined amount. Significant assumptions include: discount rate 3.00 percent; earnings increase rate 3.50 percent; and inflation rate 2.50 percent.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

13. Government Transfers

The following transfers have been included in revenues:

	2012	2011
Operating Transfers		
Federal	$ 8,110	$ 8,484
Provincial	50,468	45,721
	58,578	**54,205**
Capital Transfers		
Federal	32,985	50,863
Provincial	44,235	59,592
	77,220	**110,455**
	$ 135,798	**$ 164,660**

14. Contingencies

a. Lawsuits

Various lawsuits and claims are pending by and against the City. Provisions have been made for any claims that are likely and the amount of the potential loss can be reasonably estimated. It is the opinion of management that final determination of any remaining claims will not materially affect the financial position of the City.

b. Contractual Obligations

The City has not entered into any long-term contractual obligations - the recognition of which would materially affect these financial statements.

15. Property Realized Reserve

The Property Realized Reserve, which is included on Schedule 3, is reported net of all withdrawals. This practice does not recognize the value of assets for property purchased but not yet sold, or repayable advances of funds. At December 31, 2012, the gross value of the Property Realized Reserve is estimated to be $118,066 (2011 - $80,008) itemized as follows:

	2012	2011
Gross Value of Reserve, December 31	$ 118,066	$ 80,008
Advances Repayable from Future Revenue Fund Provisions	(4,632)	(6,505)
Property Purchased from Reserve and not yet re-sold (at estimated cost)	(74,694)	(58,004)
Net Balance of Reserve, December 31	**$ 38,740**	**$ 15,499**

16. Trust Funds

The City administers two trust funds: the Cemetery Perpetual Care Fund and the Group Insurance Trust Fund. The reserve balances in these trusts are $3,563 (2011 - $3,362) and $1,023 (2011 - $655) respectively.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

17. Expenditures By Object

The following is a summary of the expenses reported on the Consolidated Statement of Operations by object of expenses:

	2012	2011
Wages and Benefits	$ 249,565	$ 231,353
Contracted and General Services	117,166	124,848
Heating, Lighting, Power, Water, and Telephone	84,830	85,056
Materials, Goods and Supplies	23,702	21,943
Finance Charges	7,794	5,489
Donations, Grants and Subsidies	12,381	11,947
Amortization	83,643	75,187
	$ 579,081	**$ 555,823**

18. Comparative Figures

a. Reclassified to Conform with Current Year

Certain comparative figures have been reclassified to conform with the current year's consolidated financial statements presentation.

19. Tangible Capital Assets

	Net Book Value	
	2012	2011
Land	$ 239,248	$ 227,237
Land Improvements	155,898	135,687
Buildings	176,190	125,585
Roadways	628,271	607,835
Plant and Facilities	168,052	86,019
Underground Networks	704,735	670,179
Electrical Utility	181,325	174,276
Machinery and Equipment	11,606	10,276
Traffic Control	7,850	7,509
Vehicles	56,738	52,315
Other	21,810	16,707
	2,351,723	**2,113,625**
Assets under Construction	553,436	492,236
	$ 2,905,159	**$ 2,605,861**

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 5). Interest capitalized was $190 (2010 - $77). Contributed assets totaled $33,127 (2011 - $25,742) and were capitalized at their fair value at the time of receipt.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

20. Accumulated Surplus

	2012	2011
Fund Balances		
Funds to offset taxation or user charges in future years (Schedule 1)	$ (12,048)	$ (1,039)
Unexpended capital financing (Schedule 2)	146,315	196,875
Reserves (Schedule 3)	115,702	52,451
	249,969	248,287
Net Investment in Tangible Capital Assets		
Tangible Capital Assets (Schedule 5)	2,905,159	2,605,861
Capital outlay financed by term liabilities to be recovered in future years	(102,499)	(116,299)
Capital outlay financed by internal investments	(18,028)	(19,317)
	2,784,632	2,470,245
Total Accumulated Surplus	$ 3,034,601	$ 2,718,532

21. New Standards Not Yet Adopted

A number of new standards and amendments to standards which may impact the City are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. In particular, the following new and amended standards, which become effective for annual periods beginning on or after April 1, 2012, are:

- PS 3410, Government Transfers
- PS 3450, Financial Instruments
- PS 1201, Financial Statement Presentation
- PS 2601, Foreign Currency Translation
- PS 3510, Tax Revenue
- PS 3800, Government Assistance
- PS 3260, Liability for Contaminated Sites

The extent of the impact on adoption of these standards is not known at this time.

Schedule 1 - Schedule of Funds to Offset Taxation or User Charges in Future Years

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012	2011
Balance, Beginning of Year	$ (1,039)	$ 6,734
Transfer to Revenue Stabilization Reserve	(3,073)	(420)
Increase in Employee Benefit Payables	(1,341)	(2,651)
Decrease in Accrued Pension Asset	(12,510)	(6,136)
Increase in Landfill Closure/Post Closure Care Liability	915	(1,884)
Increase in Accrued Term Debt Principal	(75)	245
Surplus for the Year (Schedule 6)	5,075	3,073
Balance, End of Year	**$ (12,048)**	**$ (1,039)**

Schedule 2 - Schedule of Capital Operations

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Source of funds			
Province of Saskatchewan	$ 13,404	$ 36,075	$ 55,836
Saskatchewan Water Corporation	-	3	-
Federal Gas Tax Program	-	4,189	6,090
Provincial Building Communities Program	-	54	980
Urban Highway Connector Program	-	4,958	1,221
Government of Canada	-	9	274
Federal Transit Funding Program	435	633	1,361
Federal Gateway and Border Crossings	25,615	18,238	31,176
Building Canada Fund (FED)	930	9,987	7,639
Federal Infrastructure Stimulus Fund	-	12	3,875
Recreational Infrastructure Canada (FED)	-	-	392
Building Canada Fund (PROV)	930	3,055	1,555
Federation of Canadian Municipalities	-	90	217
FCM Green Fund Grant	-	(54)	54
Green Municipal Fund Federation of Canadian Municipalities	200	-	-
Taxation	590	3,454	5,205
Utility Contribution	2,165	8,098	8,398
Borrowing	39,647	-	-
Contributions from Developers Benefitting Property Owners and Other Users	49,614	22,452	15,325
Appropriations			
Sinking Fund	-	-	675
Reserves	206,219	218,352	174,973
Library Reserve	-	-	50
Lib Cap-Lib Res	100	-	-
	339,849	329,605	315,296

(continued on next page)

Schedule 2 - Schedule of Capital Operations (continued)

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Expenditures			
General Government	4,100	4,595	4,131
Protection of Persons and Property	2,222	57,761	19,579
Transportation	204,253	165,608	177,454
Environmental Health	88,148	93,572	69,622
Social and Family Services	-	187	-
Planning and Development	20,211	25,503	34,601
Recreation and Culture	5,063	12,029	9,618
Saskatoon Light & Power Expansion and Replacements	15,752	20,910	14,441
Library	100	-	-
	339,849	380,165	329,446
Increase in Unexpended Capital Financing	**-**	**(50,560)**	**(14,150)**
Unexpended Capital Financing, Beginning of Year	-	196,875	211,025
Unexpended Capital Financing, End of Year	**$ -**	**$ 146,315**	**$ 196,875**

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012	2011
Replacement		
Albert Community Centre	$ 4	$ 2
Automated Garbage Containers	30	24
Access Transit	(52)	(65)
Boards:		
TCU Place	260	(8)
Saskatoon Public Library	3,419	3,063
Mendel Art Gallery	137	135
Credit Union Centre	1,562	879
Buildings and Ground Equipment	87	35
Bus Replacement	196	746
Civic Vehicles and Equipment	669	406
Civic Radio Reserve	60	-
Saskatoon Light & Power	6,708	3,920
Computer Equipment	316	245
Grounds Maintenance Equipment Acquisition	189	97
Fire Equipment	677	544
Fire Apparatus	508	(15)
Infrastructure Replacement:		
Surface Improvements	2,225	1,224
Water and Sewer Replacement	(17,137)	(18,326)
Parks	(1,298)	(1,116)
Storm Water Management	2,023	629
Landfill	(5,953)	(255)
Leisure Service Equipment	410	329
Photocopy Machine	585	235
Police - Vehicle/Radio	1,120	1,222
Radio Trunking	334	176
Wastewater Collection/Treatment	438	335
Water Utility	102	203
Weigh Scales	181	181
Balance, End of Year	(2,200)	(5,155)

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Schedule 3 - Schedule of Reserves (continued)

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012	2011
Future Expenditures		
Animal Services	85	75
Animal Trading - Zoo	63	61
Affordable Housing - Operating	2,502	4,772
Boards:		
TCU Place	2,786	1,492
Saskatoon Public Library	16,637	13,576
Mendel Art Gallery	2,767	1,086
Credit Union Centre	2,755	2,086
Bridge Major Repairs	(391)	(1,099)
Building Permits/Inspections	3,981	2,801
Corporate Capital	(259)	(580)
Campsite	193	158
Civic Buildings Comprehensive Maintenance	532	(629)
Civic Hospitality	120	113
Community Support Grant	145	129
Corporate Information Systems Development	439	609
Cosmo Stabilization	60	60
Dedicated Lands	1,887	1,754
Dedicated Roadways	965	784
Downtown Housing	599	107
Errors and Omissions	397	299
Saskatoon Light & Power Distribution Extension	(5,115)	(3,915)
Saskatoon Light & Power Revenue Stabilization	-	576
Fire Department Uniforms	140	346
Forestry Farm Park and Zoo Capital	274	120
Forestry Farm Park Development	62	89
Forestry Farm Auditorium	26	26
Fuel Stabilization	1,000	1,000
General Voting	16	167
Golf Course Capital	264	280
Golf Course Stabilization	200	200
Heritage Fund	223	261
Holiday Park Golf Course Development	667	560
Idylwyld Drive Maintenance	896	936
Insurance Deductible	1,369	894
Interest Stabilization	1,702	1,243
Lakeridge Ponding	57	57
Land Bank	26,866	(22,600)
Land Operations	3,039	2,697
Municipal Heritage Advisory	12	11

(continued on next page)

Schedule 3 - Schedule of Reserves (continued)

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012	2011
Neighbourhood Park Enhancement	307	441
North Sask Rugby	2	2
Parking Facilities	864	803
Pest Control	68	68
Police Facilities Major Repair	330	620
Police Equipment	378	146
Planning Levy	703	599
Prepaid Services	(7,828)	25,680
Property Realized	38,740	15,499
Public Works Building	53	43
Reserve for Capital Expenditures	4,772	2,146
River Landing Capital	80	-
Fiscal Stabilization	5,831	2,701
Saskatoon Soccer Capital	418	-
Sign Shop Equipment Acquisition	40	20
Sinking Fund	232	230
Snow & Ice Contingency	807	549
Snow & Ice Acquisition	-	440
Special Events	360	251
Sports Participation	76	76
Storm Water Management Utility Stabilization	766	82
Streetscape	3,361	2,713
Street Cleaning/Sweeping Acquisition	50	25
Sundry	(2,379)	(5,511)
Traffic Noise Attenuation	274	288
Traffic Safety	144	230
Transit Capital	(3)	78
Transportation Infrastructure Expansion	(3,585)	(4,798)
Reserves-Fund 04	419	-
Urban Development Agreement	-	3
Vehicle and Equipment Acquisition	173	173
Warranty	931	1,767
Waste Minimization	(122)	(131)
Wastewater Collection/Treatment Capital	215	(8)
Water and Wastewater Utility Stabilization	3,063	1,393
Water Capital Projects	81	14
Weather	250	250
SIGI Reserve (Saskatchewan Infrastructure Growth Initiative)	70	122
Balance, End of Year	**117,902**	**57,606**
Total Reserves, End of Year	**$ 115,702**	**$ 52,451**

Schedule 4 - Schedule of Financial Activities by Segment For the Year Ended December 31, 2012 (in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Consolidation Adjustments	2012
Revenues										
Taxation	$ 149,472	$ -	$ 3,454	$ -	$ 16,517	$ -	$ -	$ -	$ (3,443)	$ 166,000
Grant in Lieu	29,106	-	-	-	-	-	-	-	(25,063)	4,043
User Charges	68,226	260,789	-	-	313	516	12,626	19,850	(45,494)	316,826
FCM Green Fund Grant	-	-	-	(54)	-	-	-	-	-	(54)
Government Transfers	57,358	-	63,044	14,259	732	488	-	-	-	135,798
Investment Income	9,552	-	-	-	-	-	67	54	1,631	11,305
Contribution from Developers	-	-	18,262	5,224	-	-	-	-	198,574	225,846
Other	40,004	-	-	-	203	19	-	300	(5,140)	35,386
From Reserves	-	-	195,963	22,389	-	-	-	-	(205,532)	-
Utility Contribution	-	-	-	8,098	-	-	-	-	(8,098)	-
Total Revenues	**353,718**	**260,789**	**280,723**	**49,916**	**17,765**	**1,023**	**12,693**	**20,204**	**(92,565)**	**895,150**
Expenses										
General Government	48,269	-	4,640	-	-	-	-	-	(27,732)	25,177
Protection of Persons and Property	130,280	-	58,383	-	-	-	-	-	(62,915)	125,748
Transportation	61,375	39,772	163,376	3,993	-	-	-	-	(142,340)	126,176
Environmental Health	11,769	84,751	47,000	47,590	-	-	-	-	(110,073)	81,036
Social and Family Services	3,491	-	187	-	-	-	-	-	5,106	8,784
Planning and Development	31,727	-	26,232	-	-	-	-	-	(29,984)	27,976
Recreation and Culture	42,525	-	13,505	-	17,899	3,465	13,409	19,991	(22,342)	88,452
Saskatoon Light & Power	-	132,583	(1,966)	23,103	-	-	-	-	(63,987)	89,733
Debt Servicing Costs	4,978	5,158	-	-	-	-	-	-	(4,137)	5,999
Total Expenses	**334,414**	**262,264**	**311,357**	**74,686**	**17,899**	**3,465**	**13,409**	**19,991**	**(458,404)**	**579,081**
Surplus (Deficit) of Revenues over Expenses	**$ 19,304**	**$ (1,475)**	**$ (30,634)**	**$ (24,770)**	**$ (134)**	**$ (2,442)**	**$ (716)**	**$ 213**	**$ 365,839**	**$ 316,069**

Schedule 4 - Schedule of Financial Activities by Segment For the Year Ended December 31, 2011 (in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Consolidation Adjustments	2011 (Restated Note 21)
Revenues										
Taxation	$ 139,049	$ -	$ 5,205	$ -	$ 15,638	$ -	$ -	$ -	$ (5,205)	$ 154,687
Grants in Lieu of Taxes	29,153	-	-	-	-	-	-	-	(25,020)	4,133
User Charges	25,947	253,155	-	-	326 569	11,247	16,863	(46,408)	261,699	249,077
FCM Green Fund Grant	-	-	-	54	-	-	-	-	-	54
Federation of Canadian	42,318	-	37,211	17,252	800	734	-	-	229	98,544
Municipalities	-	-	217	-	-	-	-	-	-	217
Government Transfers	52,837	-	97,241	13,159	690	598	-	-	135	164,660
Investment Income	10,567	-	-	-	-	-	40	52	328	10,987
Contribution from Developers	-	-	10,493	2,749	-	-	-	-	132,125	145,367
Other	75,601	-	-	-	442	20	2	-	(4,522)	71,543
Western Economic Diversification	-	-	-	-	-	-	-	-	5	5
From Reserves	-	-	147,625	28,023	-	-	-	-	(175,648)	-
Utility Contribution	-	-	-	8,398	-	-	-	-	(8,398)	-
Total Revenues	**333,154**	**253,155**	**260,781**	**52,383**	**17,096**	**1,187**	**11,289**	**16,915**	**(132,608)**	**813,352**
Expenses										
General Government	45,789	-	4,170	-	-	-	-	-	(26,094)	23,865
Protection of Persons and Property	122,882	-	19,762	-	-	-	-	-	(20,804)	121,840
Transportation	59,428	36,699	173,185	5,925	-	-	-	-	(171,754)	103,483
Environmental Health	14,337	78,822	23,837	46,434	-	-	-	-	(76,596)	86,834
Social and Family Services	3,227	-	-	-	-	-	-	-	5,210	8,437
Planning and Development	27,601	-	34,924	-	-	-	-	-	(25,646)	36,879
Recreation and Culture	40,466	-	10,739	-	17,261	3,352	11,897	16,773	(16,952)	83,536
Saskatoon Light & Power	-	132,699	748	13,827	-	-	-	-	(60,344)	86,930
Debt Servicing Costs	4,683	5,373	-	-	-	-	-	-	(6,037)	4,019
Total Expenses	**318,413**	**253,593**	**267,365**	**66,186**	**17,261**	**3,352**	**11,897**	**16,773**	**(399,017)**	**555,823**
Surplus (Deficit) of Revenues over Expenses	**$ 14,741**	**$ (438)**	**$ (6,584)**	**$ (13,803)**	**$ (165)**	**$ (2,165)**	**$ (608)**	**$ 142**	**$ 266,409**	**$ 257,529**

Schedule 5 - Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2012 (in thousands of dollars)

	Cost					Accumulated Amortization				Net Book Value	
										Tangible Capital Assets End of Year	
	Opening Balance	Additions	Disposals	Write Downs	Balance End of Year	Accumulated Amortization Beginning of Year	Accumulated Amortization on Disposals	Amortization	Accumulated Amortization End of Year	2012	2011
Land	$ 227,237	$ 15,555	$ 3,543	$ -	$ 239,248	$ -	$ -	$ -	$ -	$ 239,247	$ 227,237
Land Improvements	228,943	29,412	-	-	258,355	93,256	-	9,201	102,457	155,898	135,687
Buildings	216,305	56,726	-	-	273,031	90,720	-	6,121	96,841	176,190	125,585
Roadways	1,065,813	50,277	-	-	1,116,090	457,978	-	29,841	487,819	628,271	607,835
Plant and Facilities	153,791	88,118	-	-	241,909	67,772	-	6,084	73,856	168,053	86,019
Underground Networks	923,652	47,395	-	-	971,047	253,473	-	12,839	266,312	704,735	670,179
Electrical Utility	295,447	16,188	1,425	-	310,210	121,171	660	8,374	128,885	181,325	174,276
Machinery and Equipment - Cost	19,164	2,494	-	-	21,658	8,888	-	1,164	10,052	11,606	10,276
Traffic Control	16,443	911	-	-	17,354	8,934	-	570	9,504	7,850	7,509
Vehicles	124,426	11,539	5,849	-	130,116	72,111	5,361	6,628	73,378	56,738	52,315
Other Property, Plant and Equipment	76,545	7,957	121	-	84,381	59,838	86	2,819	62,571	21,810	16,707
Assets under Construction	492,236	61,200	-	-	553,436	-	-	-	-	553,436	492,236
Total	$ 3,840,002	$ 387,772	$ 10,938	$ -	$ 4,216,835	$ 1,234,141	$ 6,107	$ 83,641	$ 1,311,675	$ 2,905,159	$ 2,605,861

Schedule 6 - Schedule of Revenues and Expenditures

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Revenues			
Taxation	$ 147,224	$ 149,440	$ 139,049
Grants in Lieu of Taxes	29,865	29,106	29,153
General Revenues	70,360	74,303	73,529
User Fees	34,974	34,036	31,970
Transfers from Other Governments	55,963	57,358	52,836
Land Development	6,063	9,443	6,618
Total Revenues for the Year (Appendix 1)	**344,449**	**353,686**	**333,155**
Expenditures			
Community Support	13,323	13,616	12,758
Corporate Asset Management	7,777	6,509	6,315
Environmental Health	17,227	16,282	15,829
Corporate Governance and Finance	59,262	58,848	54,378
Land Development	6,063	9,443	6,619
Police	75,927	75,604	72,371
Fire & Protective Services	40,416	40,252	39,123
Recreation & Cultural Services	46,361	46,233	44,380
Transportation	66,780	69,028	66,292
Urban Planning & Development	10,306	11,612	11,022
Taxation	1,007	1,184	995
Total Expenditures for the Year (Appendix 2)	**344,449**	**348,611**	**330,082**
Surplus	**$ -**	**$ 5,075**	**$ 3,073**

Appendix 1 - Schedule of Revenues

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Taxation			
Property Levy	$ 146,914	$ 149,101	$ 138,721
Municipal Services Agreement	173	180	173
Trailer Occupancy	75	88	89
Amusement	62	71	66
	147,224	**149,440**	**139,049**
Grants in Lieu of Taxes			
Senior Governments and Agencies	3,855	4,051	4,134
Own Utilites - Saskatoon Light & Power	25,754	17,730	17,855
Own Utilities-Water	-	3,849	4,091
Own Utilites-Wastewater	-	3,124	2,818
Own Utilities-Transit	-	199	133
Land Bank Program	256	153	122
	29,865	**29,106**	**29,153**
General Revenues			
R.M. of Corman Park	70	75	75
Provincial Government	974	974	929
Licence and Permits	5,285	7,204	6,391
Fines and Penalties	6,512	8,992	6,861
Automated Enforcement Fines	1,355	1,316	1,264
Property Rentals	1,232	1,666	1,288
Franchise Fees	17,773	17,754	17,913
Interest Earnings	9,601	9,552	10,568
Tax Penalties	1,005	1,257	1,197
Other Revenue	202	248	328
Utility Return on Investment	23,760	22,666	23,907
Administration Recovery	2,081	2,081	2,040
Soccer Centre Tax Agreement & Other Grant	10	18	18
Land Bank Distribution	500	500	750
	70,360	**74,303**	**73,529**

(continued on next page)

Appendix 1 - Schedule of Revenues (continued)

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
User Fees			
Legal Fees	200	231	168
Tax Searches and Enforcement	193	203	166
Police	1,292	1,504	1,131
Fire	132	207	209
Engineering	781	779	667
Parking	5,338	5,725	5,312
Solid Waste Management	7,065	5,054	5,073
Environmental Protection	352	177	153
Transportation	219	228	209
Cemetery	974	1,175	1,008
Planning	443	336	287
Tourist Campsite	532	527	475
Forestry Farm Park	684	799	717
Kinsmen Park Rides	156	107	122
Albert Community Centre	112	157	152
Marr Residence	1	-	-
Swimming Pools	369	362	317
Golf Courses	3,038	2,886	2,936
Skating Rinks	1,961	1,965	1,888
Rentals	5,049	5,081	4,868
Programming	5,462	5,888	5,534
Ball Fields	30	38	42
Outdoor Sports Fields	372	311	311
River Landing	219	296	225
	34,974	**34,036**	**31,970**
Transfers from Other Governments	55,962	57,358	52,835
	55,962	**57,358**	**52,835**
Land Development	6,063	9,443	6,618
	6,063	**9,443**	**6,618**
Total Revenues	**$ 344,448**	**$ 353,686**	**$ 333,154**

Appendix 2 - Schedule of Expenditures

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Community Support			
Community Development	$ 2,944	$ 2,953	$ 2,837
Community Investments & Supports	7,932	8,173	7,596
Animal Control	1,129	1,072	1,087
Cemeteries	1,318	1,418	1,238
	13,323	**13,616**	**12,758**
Corporate Asset Management			
Vehicle & Equipment Services	(37)	(316)	390
Civic Facilities	7,814	6,825	5,925
	7,777	**6,509**	**6,315**
Environmental Health			
Environmental Program	616	720	587
Waste Collection and Disposal	12,013	10,979	10,959
Waste Minimization	760	853	791
Urban Forestry	3,061	2,980	2,777
Pest Management	777	750	715
	17,227	**16,282**	**15,829**
Corporate Governance and Finance			
Legislative	1,231	1,120	1,068
City Manager's Office	1,443	1,404	1,162
City Clerk's Office	2,096	1,985	2,029
City Solicitor's Office	1,985	2,045	1,691
Financial Services	3,284	3,301	3,197
Revenue Services	2,059	2,051	2,020
Assessment	3,097	2,955	2,765
Corporate Support	14,813	13,702	12,877
General Services	26,483	27,040	24,844
City-Owned Property	126	138	71
Fines & Penalties	2,645	3,107	2,654
	59,262	**58,848**	**54,378**
Land Development			
Land Development	6,063	9,443	6,619
	6,063	**9,443**	**6,619**

(continued on next page)

Appendix 2 - Schedule of Expenditures (continued)

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Fire & Protective Services			
Fire	40,193	40,029	38,938
Emergency Measures	223	223	185
	40,416	**40,252**	**39,123**
Policing			
Police	75,927	75,604	72,371
	75,927	**75,604**	**72,371**
Recreation and Cultural Services			
Spectator Ballfields	131	146	132
Marketing Services	573	547	525
Community Partnerships	227	223	209
Forestry Farm Park	2,303	2,307	2,267
Golf Courses	3,038	2,881	2,936
Gordon Howe Campsite	532	526	476
Indoor Rinks	2,160	2,061	2,040
Kinsmen Park Rides	198	175	163
Outdoor Pools	1,044	987	968
Outdoor Sports Fields	736	713	606
Parks Maintenance & Design	11,094	11,116	10,473
Playground & Recreation Areas	768	783	748
Program Research & Design	192	184	179
Rec/Competitive Facilities - Program	8,749	9,001	8,647
Rec/Competitive Facilities - Rentals	9,155	9,086	8,776
Targetted Programming	566	507	610
Albert Community Centre	224	223	211
Credit Union Centre	398	398	398
Marr Residence	20	22	20
Mendel Art Gallery	2,507	2,507	2,237
River Landing	290	384	306
TCU Place	1,456	1,456	1,453
	46,361	**46,233**	**44,380**

(continued on next page)

Appendix 2 - Schedule of Expenditures (continued)

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Transportation			
Transit Subsidy	20,746	20,746	21,211
Access Transit	4,062	4,275	3,993
Transportation Services	6,281	6,156	5,874
Road Maintenance	14,857	14,271	14,467
Snow & Ice Management	7,998	9,885	8,294
Street Cleaning/Sweeping	2,299	2,556	2,586
Bridges, Subways, Overpasses	1,446	1,333	960
Street Lighting	5,489	5,541	5,307
Parking	2,006	2,785	2,184
Engineering	839	716	725
Impound Lot	757	764	691
	66,780	69,028	66,292
Urban Planning & Development			
Affordable Housing	426	364	409
Building Permits & Standards	3,931	5,805	5,131
Business Improvement Districts	108	108	108
Business Licenses & Bylaw Enforcement	1,212	1,202	1,094
Development Review	1,047	987	988
Future Growth	416	409	373
Neighborhood Planning	507	428	455
Research & Mapping	414	365	333
Urban Design	2,245	1,944	2,131
	10,306	11,612	11,022
Taxation			
Other Levies	808	989	805
Property Tax Discount	40	36	32
Tax Loss Compensation	159	159	158
	1,007	1,184	995
Total Expenditures	$ 344,449	$ 348,611	$ 330,082

Appendix 3 - Water Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Revenues			
Metered	$ 46,296	$ 44,193	$ 40,859
Infrastructure Levy	4,394	4,071	3,983
Miscellaneous	133	126	123
Fire Protection Charge	603	652	652
Late Payment Penalites	149	148	155
	51,575	**49,190**	**45,772**
Expenditures			
General	7,321	7,182	7,214
Laboratory	518	454	425
Treatment and Pumping	8,889	7,987	8,517
Buildings and Grounds	891	605	594
Meters	1,480	1,440	1,328
Watermains	6,513	5,390	5,869
Hydrants	1,230	828	928
Services	2,070	2,116	2,114
Contribution to Capital Reserves	13,145	12,716	8,785
Debt Charges	9,518	9,504	10,398
	51,575	**48,222**	**46,172**
Deficit Before Transfer from Reserve	-	**968**	**(400)**
Transfer from Stabilization Reserve	-	(968)	400
Surplus/Deficit	**$ -**	**$ -**	**$ -**

Appendix 4 - Wastewater Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Revenues			
Metered	$ 31,829	$ 30,563	$ 28,453
Infrastructure Levy	6,068	5,621	5,500
Late Payment Penalties	98	99	104
Miscellaneous	710	1,019	1,158
Flood Protection Levy	3,300	3,625	3,536
	42,005	**40,927**	**38,751**
Expenditures			
General	5,556	5,485	5,038
Laboratory	562	523	506
Lift Stations	1,117	1,360	1,439
Pollution Control Plant	6,865	6,249	5,979
Sludge Handling and Disposal	1,662	1,492	1,442
Sewer Engineering	380	301	272
Sewer Inspections	485	347	307
Sewer Maintenance	3,184	3,167	2,973
Service Connections	2,886	2,222	1,945
Contribution to Capital Reserves	14,435	14,208	13,568
Debt Charges	4,873	4,867	4,432
	42,005	**40,221**	**37,901**
Surplus Before Transfer to Reserve	**-**	**706**	**850**
Transfer to Stabilization Reserve	-	(706)	(850)
Surplus/Deficit	**$ -**	**$ -**	**$ -**

Appendix 5 - Storm Water Management Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Revenues			
Metered	$ 3,532	$ 4,510	$ 3,455
Late Payment Penalties	10	10	11
	3,542	**4,520**	**3,466**
Expenditures			
General	316	255	281
Storm Sewer Engineering	235	220	221
Storm Sewer Maintenance	1,090	1,554	1,259
Drainage	445	353	488
Contribution to Capital Reserves	1,456	1,456	1,456
	3,542	**3,838**	**3,705**
Deficit Before Transfer from Reserve	-	**682**	**(239)**
Transfer from Stabilization Reserve	-	(682)	239
Surplus/Deficit	$ -	$ -	$ -

Appendix 6 - Saskatoon Light & Power Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Revenues			
Metered	$ 123,853	$ 118,177	$ 119,009
Municipal Surcharge	12,385	11,817	11,900
Service Connection Fee	450	428	432
Miscellaneous	534	528	515
Tax Collection Commission	2	-	2
Late Payment Penalties	245	247	259
	137,469	**131,197**	**132,117**
Expenditures			
General	23,671	21,943	22,322
Power Purchased	71,112	68,280	68,631
Buildings and Grounds	672	613	549
Poles, Lines, and Feeders	4,084	4,444	3,811
Substations	890	702	673
Street Lighting	1,026	1,075	1,147
Meters	1,131	1,102	1,018
System Operations	152	161	126
Provision for Capital Extension	4,485	4,485	3,654
Provision for Capital Replacement	6,486	6,299	6,181
	113,709	**109,104**	**108,112**
Surplus Before Transfer (to) from Reserve	**23,760**	**22,093**	**24,005**
Transfer (to) from Stabilization Reserve	-	(576)	98
Surplus	**$ 23,760**	**$ 21,517**	**$ 24,103**

Appendix 7 - Transit Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Revenues			
Mail Carriers	$ 11	$ (7)	$ 10
Passes	7,084	7,363	6,472
Cash Fares	2,162	2,066	1,935
Ticket Sales	1,993	2,140	2,025
Charter	904	733	593
Senior Citizens' Passes	646	448	388
General Services Operating Allowance	20,746	20,746	20,460
Advertising	500	663	526
Miscellaneous	4	3	4
Province of Saskatchewan	873	800	640
	34,923	**34,955**	**33,053**
Expenditures			
General	3,172	3,104	2,762
Transportation			
Planning	385	388	387
Operating	15,645	15,543	15,251
Supervision	1,745	1,853	1,807
Customer Services	680	532	626
Equipment Servicing	9,208	9,211	9,061
Equipment Repair	760	551	584
Stores	189	217	197
Buildings	964	964	955
Contribution to Capital Reserves	2,175	2,175	2,175
	34,923	**34,538**	**33,805**
Surplus/Deficit	**$ -**	**$ 417**	**$ (752)**

TRUST FUNDS

City of Saskatoon, Saskatchewan, Canada
Year Ended December 31, 2012

Independent Auditor Report - Deloitte LLP Chartered Accountants

To His Worship the Mayor and City Council:

Report on the Financial Statements
We have audited the accompanying financial statements of the Trust Funds of the City of Saskatoon, which comprise the balance sheet as at December 31, 2012, and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory infromation.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of the City of Saskatoon as at December 31, 2012, and the changes in its net assets for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Accountants

Saskatoon, Saskatchewan

August 21, 2013

Trust Funds - Balance Sheet

As at December 31, 2012 (in thousands of dollars)

	2012 Total	2012 Group Insurance Trust	2012 Cemetery Perpetual Care	2011 Total
Assets				
Cash and Cash Equivalents	$ 41	$ 38	$ 3	$ 103
Accounts Receivable	8	8	-	110
Accrued Interest	23	19	4	25
Investments (Note 2)	4,623	3,604	1,019	3,953
	$ 4,695	**$ 3,669**	**$ 1,026**	**$ 4,191**
Liabilities and Net Assets				
Accounts Payable	$ 109	$ 106	$ 3	$ 174
Net Assets	4,586	3,563	1,023	4,017
	$ 4,695	**$ 3,669**	**$ 1,026**	**$ 4,191**

Trust Funds - Statement of Changes in Net Assets

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012 Total	2012 Group Insurance Trust	2012 Cemetery Perpetual Care	2011 Total
Increase in Net Assets				
Sale of Cemetery Plots	$ 125	$ 125	$ -	$ 119
Interest Earned	205	196	9	200
Transfer from Revenue Fund 4	35	76	359	37
	765	**397**	**368**	**356**
Decrease in Assets				
Transfer to Revenue Fund	187	187	-	427
Disbursements	9	9	-	11
	196	196	-	438
Increase (Decrease) in Net Assets	**569**	**201**	**368**	**(82)**
Net Assets, Beginning of Year	4,017	3,362	655	4,099
Net Assets, End of Year	**$ 4,586**	**$ 3,563**	**$ 1,023**	**$ 4,017**

Trust Funds - Notes to the Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

1. Accounting Policies

Basis of Accounting and Significant Policies

a. Trust Funds

The Trust Funds operate on the accrual basis of accounting. Any interest earned but not received as at December 31 has been recorded in Accrued Interest.

b. Cash Equivalents

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

c. Investments

All investments are recorded at amortized cost using the effective interest rate method. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis. When there has been a loss in a value of an investment that is other than temporary decline, the investment is written down to recognize the loss and the loss is recognized in the statement of changes in net assets.

d. Revenues and Expenditures

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

2. Investments

a. Trust Funds

The total of investments of $4,623 (2011 - $3,953) recorded on the Balance Sheet at cost, have a market value of $4,779 (2011 - $4,660) at December 31. Investments consist of provincial promissory notes and federal, provincial, municipal government, and corporate bonds with effective interest rates ranging from 0.96 percent to 5.34 percent.

3. Fund Purpose

a. Group Insurance Trust Fund

Premiums are shared equally between the employer and the employee. Surpluses are generated when premiums exceed administration charges and claims payments by the carrier. A portion of the accumulated funds are used to reduce both the employer's and employee's premiums. In the event of a surplus, under the terms of the Underwriting Agreement, the claims Fluctuation Reserve held by the Group Insurance Trust Fund for 2012 must be at least 25 percent of premiums paid, or $281.

b. Cemetery Perpetual Care Trust Fund

The Perpetual Care Fund is intended to provide the necessary annual funding for the maintenance services to the cemetery in perpetuity.

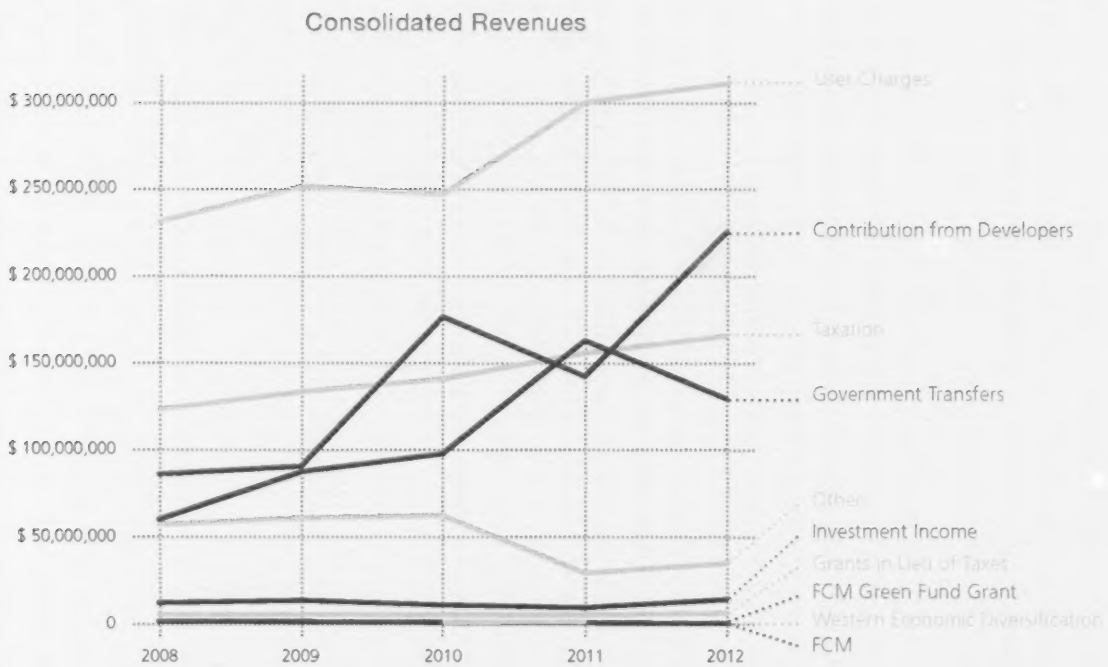
STATISTICAL

City of Saskatoon, Saskatchewan, Canada
Year Ended December 31, 2012

Consolidated Revenues and Expenditures

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)

	2012	2011	2010	2009	2008
Consolidated Revenues					
Taxation	$ 166,000	$ 154,687	$ 144,696	$ 136,882	$ 128,320
Grants in Lieu of Taxes	4,043	4,133	3,855	4,163	4,345
User Charges	316,826	300,291	249,077	253,798	233,439
Federation of Canadian Municipalities	-	217	-	183	35
Federation of Canadian Municipalities Green Fund Grant	(54)	54	14	377	-
Government Transfers	135,798	164,660	98,544	83,720	63,982
Investment Income	11,305	10,987	9,622	10,260	12,690
Contribution from Developers	225,846	145,367	173,079	89,815	84,918
Other	35,386	32,956	67,431	67,305	62,754
Western Economic Diversification	-	5	420	-	-
Total Revenues	**$ 895,150**	**$ 813,357**	**$ 746,738**	**$ 646,503**	**$ 590,483**

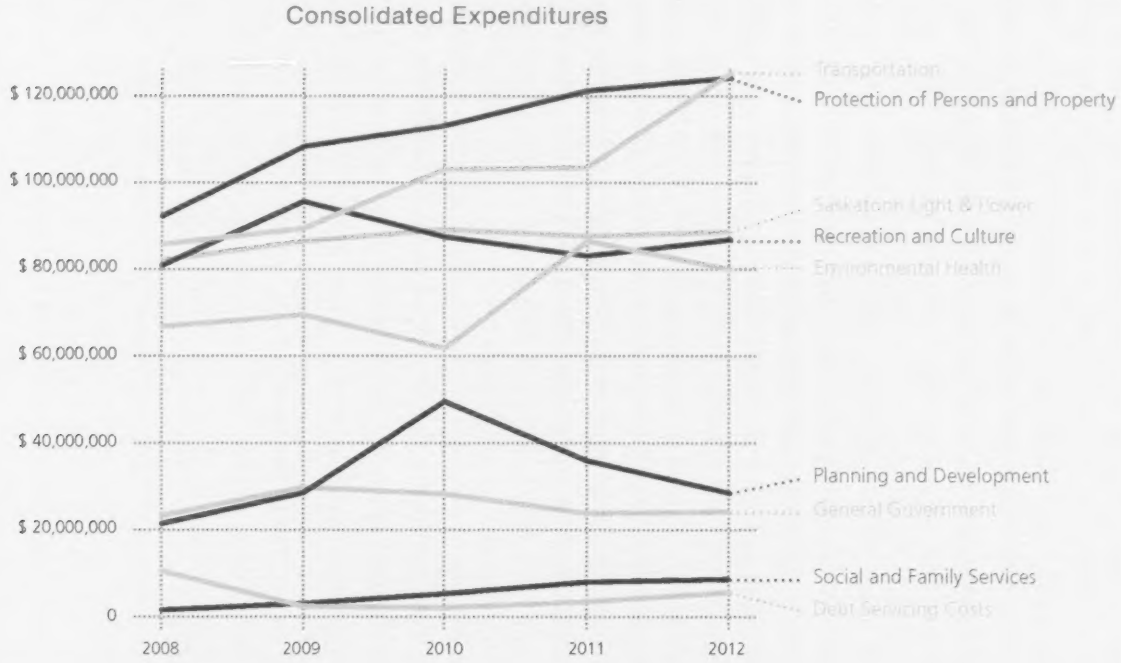


Consolidated Revenues and Expenditures (continued)

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)

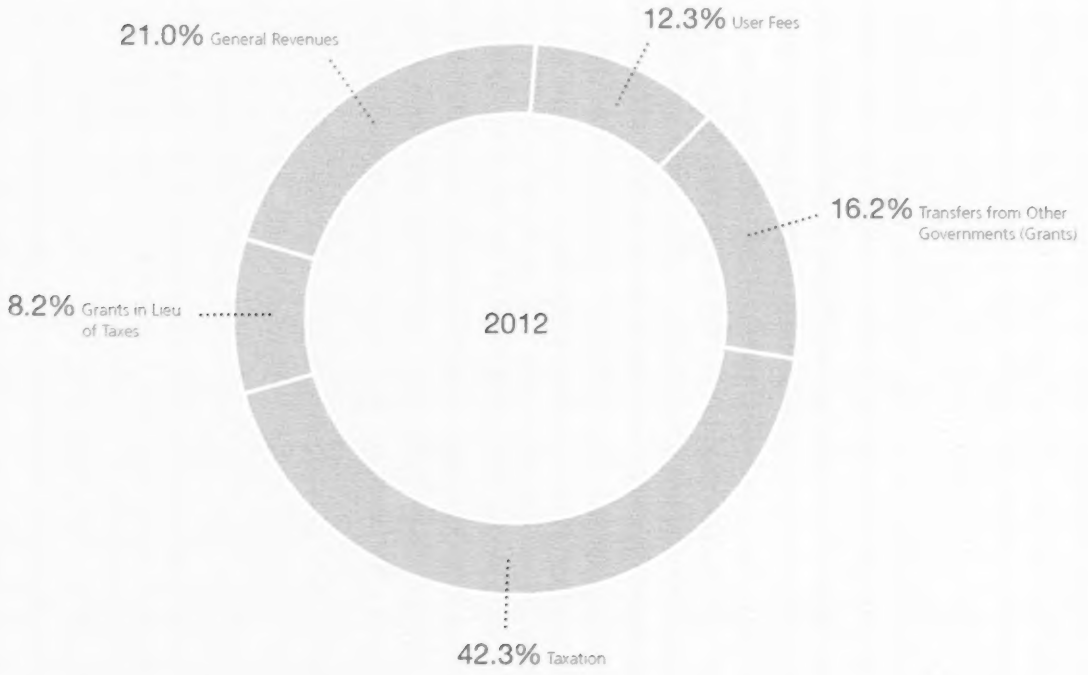
	2012	2011	2010	2009	2008
Consolidated Expenditures					
General Government	25,177	$ 23,865	$ 29,272	$ 36,793	$ 23,033
Transportation	126,176	103,483	103,449	89,520	86,192
Protection of Persons and Property	125,748	121,840	113,970	107,450	91,759
Recreation and Culture	88,452	83,536	86,198	95,268	81,196
Social and Family Services	8,784	8,437	7,081	4,137	2,214
Planning and Development	27,976	36,879	48,817	28,089	21,960
Saskatoon Light & Power	89,733	86,930	88,837	88,977	82,430
Environmental Health	81,036	86,834	61,878	69,984	67,096
Debt Servicing Costs	5,999	4,019	3,834	3,938	9,778
Total Expenditures	**579,081**	**555,823**	**543,336**	**524,156**	**465,658**
Surplus of Revenues over Expenses	**$ 316,069**	**$ 257,529**	**$ 203,402**	**$ 122,347**	**$ 124,825**

Accounting principles applicable for 2007 were significantly different as capital expenditures were expensed and there was no amortization on tangible capital assets.



Summary of Revenues (Schedule 6)

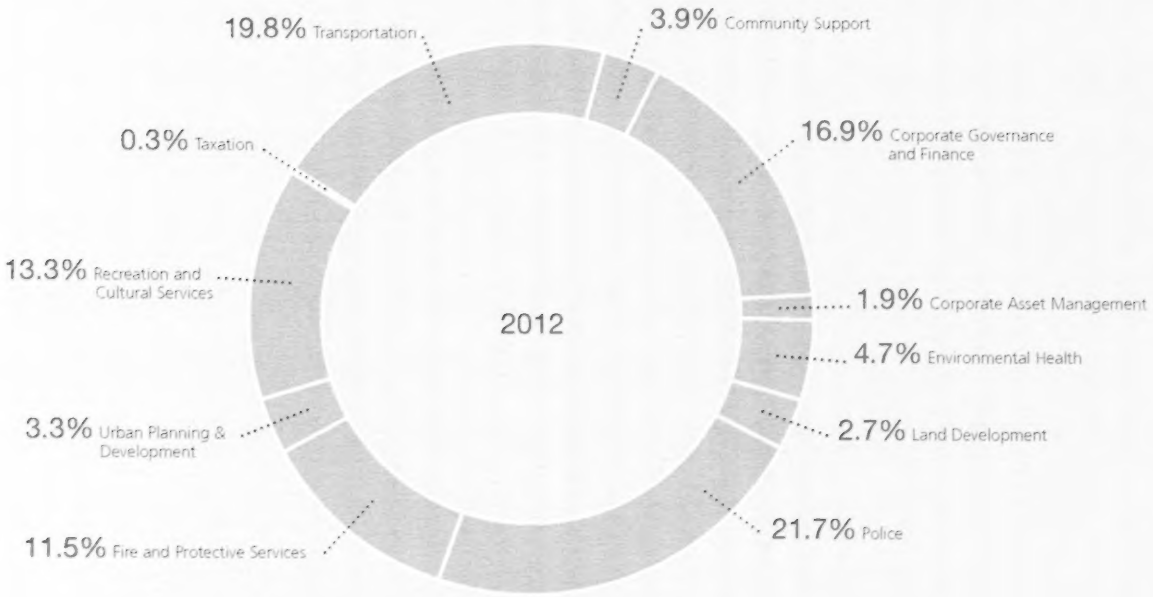
For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)



	2012	2011	2010	2009	2008
Taxation	$ 149,440	$ 139,049	$ 130,035	$ 122,523	$ 115,617
Grants in Lieu of Taxes	29,106	29,153	27,880	26,651	25,017
General Revenues	74,303	73,528	67,323	63,021	60,813
User Fees	43,479	38,588	37,270	28,946	27,138
Transfers from Other Governments	57,358	52,836	42,318	37,816	25,802
	$ 353,686	**$ 333,154**	**$ 304,826**	**$ 278,957**	**$ 254,387**

Summary of Expenditures (Schedule 6)

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)



	2012	2011	2010	2009	2008
Community Support	13,616	8,342	7,678	7,224	6,713
Corporate Asset Management*	6,509	-	-	-	-
Environmental Health	16,282	15,793	14,697	12,508	11,969
Corporate Governance and Finance*	58,848	57,644	50,596	56,342	52,148
Land Development	9,443	6,690	7,111	2,981	3,272
Public Safety	-	116,950	109,907	98,993	92,003
Police*	75,604	-	-	-	-
Fire & Protective Services*	40,252	-	-	-	-
Recreation & Cultural Services	46,233	45,100	43,379	39,989	36,113
Transportation	69,028	65,345	58,284	47,448	43,859
Urban Planning & Development	11,612	13,222	11,962	9,121	8,956
Taxation	1,184	995	792	696	596
Total	**348,611**	**330,081**	**304,406**	**275,302**	**255,629**

* New Business Lines as of 2012

Summary of Capital Operations

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)

	2012	2011	2010	2009	2008
Sources of Funds					
Province of Saskatchewan	36,075	$ 55,836	$ 365	$ 310	$ 1,193
Saskatchewan Water Corporation	3	-	-	279	712
Municipal Economic Enhancement Program	-	-	-	22,012	-
Canada Strategic Infrastructure Fund	-	-	-	2,682	4,905
Federal Gas Tax Program	4,189	6,090	6,997	8,113	11,327
Muncipal Rural Infrastructure Fund	-	-	-	223	4,656
Provincial Building Communities Program	54	980	216	747	3,650
Provincial Community Shares Program	-	-	-	1,453	1,753
Urban Highway Connector Program	4,958	1,221	-	-	-
Government of Canada	9	274	17	70	211
Cultural Capitals of Canada Program	-	-	-	172	776
Transport Canada	-	-	-	11	-
Federal Transit Funding Program	633	1,361	5,688	6,795	6,839
Federal Gateway and Border Crossings	18,238	31,176	29,603	-	-
Building Canada Fund (FED)	9,987	7,639	2,011	-	-
Recreational Infrastructure Canada (FED)	-	392	371	-	-
Recreational Infrastructure Canada (PROV)	-	-	763	-	-
Building Canada Fund (PROV)	3,055	1,555	373	-	-
Federal Infrastructure Stimulus Fund	12	3,875	8,058	343	-
Federation of Canadian Municipalities	90	217	-	183	35
Federation of Canadian Municipalities Green Fund Grant	(54)	54	14	377	-
Green Municipal Fund Federation of Canadian Municipalities	-	-	-	2,303	-
Canada Mortgage and Housing Corporation Municipal Infrastructure Lending Program	-	-	44,000	33,190	-
Western Economic Diversification	-	-	409	193	187
Internal Borrowing	-	-	-	22,563	-
Taxation	3,454	5,205	4,051	3,970	5,088
Utility Contribution	8,098	8,398	7,892	6,175	6,520
Borrowing	-	-	-	(300)	32,400
Contributions from Developers Benefitting Property Owners and Other Users	22,452	15,325	20,622	23,541	11,863

(continued on next page)

Summary of Capital Operations (continued)

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)

	2012	2011	2010	2009	2008
Appropriations					
Sinking Fund	-	675	-	-	-
Operating Surplus	-	-	144	-	-
Reserves	218,352	174,973	163,450	159,675	164,772
Library Reserve	-	50	-	-	-
	329,605	**315,296**	**295,044**	**295,080**	**256,887**
Application of Funds					
General Government	4,595	4,131	4,900	3,707	6,347
Protection of Persons and Property	57,761	19,579	6,425	6,188	4,329
Transportation	165,608	177,454	167,370	56,710	63,664
Environmental Health	93,572	69,622	80,045	65,928	46,506
Social and Family Services	187	-	4,103	1,352	102
Planning and Development	25,503	34,601	24,065	22,929	39,447
Recreation and Culture	12,029	9,618	9,045	12,564	34,554
Property Purchases and Development	0	-	11,292	5,067	19,434
Saskatoon Light & Power Expansion and Replacements	20,910	14,441	10,460	14,100	13,145
	380,165	**329,446**	**317,705**	**188,545**	**227,528**
Increase (Decrease) in Unexpended Capital Financing	**(50,560)**	**(14,150)**	**(22,661)**	**106,535**	**29,359**
Unexpended Capital Financing, Beginning of Year	196,875	211,025	233,686	127,151	97,793
Unexpended Capital Financing, End of Year	**146,315**	**$ 196,875**	**$ 211,025**	**$ 233,686**	**$ 127,152**

Summary of Public Utilities Operating Results

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)

	2012	2011	2010	2009	2008
Net surplus after deducting operating expenses, debt charges and contributions to reserves:					
Water	$ -	$ -	$ -	$ (12)	$ (5)
Saskatoon Light & Power	21,517	23,907	21,780	19,519	18,093
Transit System (before contribution from General Revenue)	(20,329)	(21,212)	(18,356)	(18,977)	(18,355)
Net Surplus	**1,188**	**2,695**	**3,424**	**530**	**(267)**
Amount contributed by Utilities to Revenue as Grant in Lieu of Taxes	$ 24,900	$ 24,898	$ 23,776	$ 22,209	$ 20,573

Summary of Reserves and Surplus

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)

	2012	2011	2010	2009	2008
Reserves					
Property Realized	$ 38,740	$ 15,499	$ 11,434	$ 19,183	$ 14,504
Replacement	(2,200)	(5,155)	(11,656)	(27,506)	9,241
Future Expenditures	79,162	42,107	43,482	23,164	63,702
Surplus (Deficit)	5,075	3,073	420	3,655	(1,242)
	$ 120,777	**$ 55,524**	**$ 43,680**	**$ 18,496**	**$ 86,205**

Consolidated Summary of Expenditures (by object code)

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)

	Wages and Benefits	Contracted and General Services	Donations, Grants, Subsidies	Heating, Light, Power, Water, Telephone	Materials, Goods, Supplies	Finance Charges	Amortization	Total
General Government	$ 19,743	$ 2,041	$ 119	$ (26)	$ 1,970	$ -	$ 1,330	$ 25,177
Protection of Persons and Property	106,661	13,854	184	555	2,344	-	2,150	125,748
Transportation	41,136	29,948	419	5,975	7,698	23	40,977	126,176
Environmental Health	24,096	33,597	1	4,234	3,742	70	15,296	81,036
Social and Family Services	1,019	708	6,760	55	135	1	104	8,782
Planning and Development	13,810	1,714	2,233	1,230	1,036	116	7,838	27,977
Recreation and Culture	35,105	31,646	2,662	4,263	5,802	1,585	7,390	88,453
Saskatoon Light and Power	7,992	3,657	-	68,537	989	-	8,558	89,733
Debt Servicing Costs	-	-	-	-	-	5,999	-	5,999
Total 2012	**$ 249,562**	**$ 117,165**	**$ 12,378**	**$ 84,823**	**$ 23,716**	**$ 7,794**	**$ 83,643**	**$ 579,081**
Total 2011	**$ 231,352**	**$ 124,854**	**$ 11,947**	**$ 85,056**	**$ 21,943**	**$ 5,489**	**$ 75,187**	**$ 555,828**
Total 2010	**$ 225,239**	**$ 131,323**	**$ 6,288**	**$ 82,721**	**$ 21,627**	**$ 5,368**	**$ 70,770**	**$ 543,336**
Total 2009	**$ 216,753**	**$ 120,891**	**$ 6,297**	**$ 81,662**	**$ 20,539**	**$ 14,192**	**$ 63,822**	**$ 524,156**
Total 2008	**$ 189,957**	**$ 96,381**	**$ 5,619**	**$ 78,192**	**$ 22,763**	**$ 9,987**	**$ 62,759**	**$ 465,658**

Summary of Term Debt and Required Sinking Fund Consolidation of All Obligations

As at December 31, 2012 to 2008

	2012	2011	2010	2009	2008
Total Term Debt	197,125,312	$ 127,368,044	$ 145,510,451	$ 115,341,381	$ 89,144,000
Less Sinking Fund	-	-	-	-	-
	197,125,312	**127,368,044**	**145,510,451**	**115,341,381**	**89,144,000**
Population Estimate at Dec. 31 (1)	239,000	234,200	224,300	218,900	209,400
Gross Debt Per Capita	825	$ 544	$ 649	$ 527	$ 426
Net Debt Per Capita	825	$ 544	$ 649	$ 527	$ 426
Mill Rate Supported Debt	440	$ 387	$ 463	$ 314	$ 353
Legal Debt Limit	414,000,000	$ 414,000,000	$ 414,000,000	$ 298,000,000	$ 298,000,000
Debt servicing costs as a percentage of total expenditures	1.067%	0.723%	0.710%	0.760%	0.660%

(1) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Summary of Term Debt and Required Sinking Fund by Responsibility Centre

For the Year Ended December 31, 2012

	2012	2011
Waterworks Utility	31,156,512	33,257,014
Wastewater Utility	14,192,000	3,385,800
Gas Tax	46,710,889	52,130,340
Total Debt Not Supported by Civic Mill Rate	**92,059,401**	**88,773,154**
Total Civic Mill Rate Debt	105,065,911	38,594,890
Total Term Debt	**197,125,312**	**127,368,044**
Net Debt	**197,125,312**	**127,368,044**
Population Estimate at Dec 31	239,000	234,200
Gross Debt per Capita	825	544
Net Debt per Capita	825	544
Mill Rate Supported Debt	440	387

(1) All figures are based on book values and have not been adjusted for foreign currency exchange.

(2) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Term Debt Maturing With Percentages

As at December 31, 2011

Year	Long-Term Debt Maturing	Percentage Yearly	Percentage Reduction Accumulated
2013	$ 22,616,000	11.473%	11.473%
2014	20,037,000	10.165%	21.638%
2015	20,693,000	10.497%	32.135%
2016	18,899,000	9.587%	41.722%
2017	19,508,000	9.896%	51.618%
2018	20,142,000	10.218%	61.836%
2019	16,849,000	8.547%	70.384%
2020	13,352,000	6.773%	77.157%
2021	7,433,000	3.771%	80.928%
2022	7,671,000	3.891%	84.819%
2023	3,003,000	1.524%	86.343%
2024	3,097,000	1.571%	87.914%
2025	2,986,000	1.515%	89.429%
2026	3,078,000	1.561%	90.990%
2027	3,171,000	1.609%	92.599%
2028	3,267,000	1.657%	94.256%
2029	3,368,000	1.709%	95.964%
2030	3,469,000	1.760%	97.724%
2031	3,575,000	1.814%	99.538%
2032	911,000	0.462%	100.000%
Total	**$ 197,125,000**	**100%**	

Summary of Property Assessment and Tax Levy

For the Years Ended December 31, 2012 to 2008

	2012	2011	2010	2009*	2008
Gross Assessments	$ 15,389,037,180	$ 15,106,052,606	$ 14,753,816,654	$ 14,459,817,161	$ 10,727,114,965
Exemptions	3,222,423,140	3,237,388,060	3,202,875,913	3,179,330,802	2,378,230,390
Assessed Value for Taxation	**12,166,614,040**	**11,868,664,546**	**11,550,940,741**	**11,280,486,359**	**8,348,884,575**
	Mills	Mills	Mills	Mills	Mills
Tax Rate:					
General	12.05	11.57	11.08	10.66	13.67
Library	1.33	1.30	1.25	1.21	1.52
Education:					
Public Board / Separate Board	9.51	9.51	10.08	10.08	18.78
Total	**22.89**	**22.38**	**22.41**	**21.95**	**33.97**
	$ 302,869,121	**$ 289,960,812**	**$ 283,447,250**	**$ 278,828,559**	**$ 277,404,968**
Property Roll Collections:					
Current	$ 297,078,078	$ 287,554,659	$ 278,327,217	$ 268,951,792	$ 275,395,743
Arrears	5,815,050	5,823,629	5,472,156	5,271,525	4,949,478
Total Collected	**302,893,128**	**293,378,288**	**283,799,373**	**274,223,317**	**280,345,221**
Percentage of Levy Collected:					
Current	95.4	98.200%	95.090%	97.090%	97.790%
Current and Arrears	95.2	97.800%	94.960%	96.920%	97.550%
Taxes Outstanding:					
Current	6,506,252	5,321,930	5,398,160	5,025,820	4,822,306
Arrears	1,495,262	1,382,920	1,285,838	1,138,992	1,095,263
	$ 8,001,514	**$ 6,704,850**	**$ 6,683,998**	**$ 6,164,812**	**$ 5,917,569**

* Reassessment

Economic Highlights

Saskatoon Economic Statistics

For the Years Ended December 31, 2012 to 2008 (in thousands of dollars)

	2012	2011	2010	2009	2008
Saskatoon Population (December 31)*:	239,000	234,200	224,300	218,900	209,400
Annual Change	2.050%	4.414%	2.467%	4.454%	0.530%
Saskatoon Inflation Rate - Annual Change	1.470%	2.500%	1.200%	0.900%	3.900%
Saskatoon Unemployment Rate - Annual Average	5.600%	8.600%	8.300%	7.000%	5.700%
No. of Persons Employed in Saskatoon	160,400	144,700	145,900	143,200	138,200
Saskatoon Building Permits					
Total Number	5,196	4,651	4,100	3,550	3,516
Total Value	$ 1,082,100	$ 936,900	$ 666,100	$ 537,900	$ 610,200
Annual Change	15.500%	40.655%	23.800%	(11.850)%	11.070%

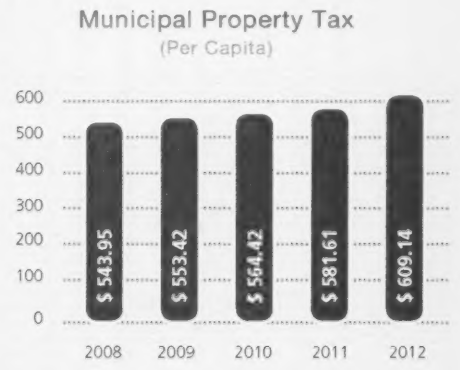
* Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Sources of Information:
Statistics Canada
City of Saskatoon - Planning Branch, Community Services Department

Major Taxpayers in Saskatoon

2012 Taxable Assessment (in thousands of dollars)

Midtown Plaza Inc.	$ 146,560
Boardwalk Reit Properties Holdings Ltd.	62,086
Westfair Properties Ltd.	57,730
Centre At Circle & Eighth Property Inc	56,608
Saskashop Centre Inc	47,978
101042414 Saskatchewan Ltd.	44,810
959630 Alberta Inc.	40,373
CNH Canada Ltd.	29,293
Confed Shopping Centre Inc	28,173
Dundeal Canada (GP) Inc	27,517
2055190 Ontario Ltd	27,059
Kenmore Land Co Ltd	25,570



Economic Highlights (continued)

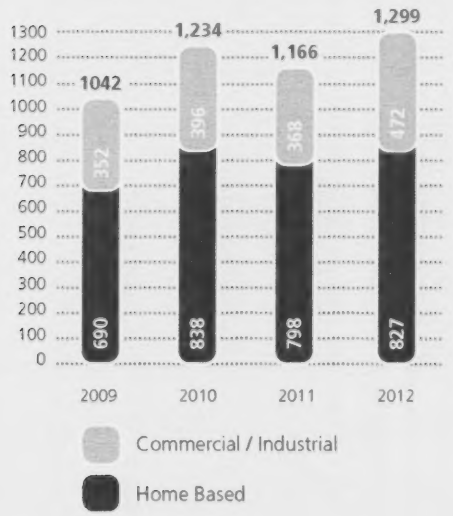
Building Permits Statistics for 2012 vs 2011

	Number of Permits			Construction Value ($ million)		
Category	Dec 31/12	Dec 31/11	Change %	Dec 31/12	Dec 31/11	Change %
Residential	3916	3502	11.8%	$493.4	$401.2	23.0%
Apartments & Housing Projects	343	314	9.2%	$160.9	$196.6	-18.2%
Commercial	397	305	30.2%	$230.3	$164.5	40.0%
Industrial	203	207	-1.9%	$104.9	$103.5	1.4%
Institutional & Assembly	98	83	18.1%	$74.2	$45.2	64.2%
Other (includes demolition permits)	239	240	-0.4%	$18.4	$25.9	-29.0%
TOTAL	**5196**	**4651**	**11.7%**	**$1,082.1**	**$936.9**	**15.5%**

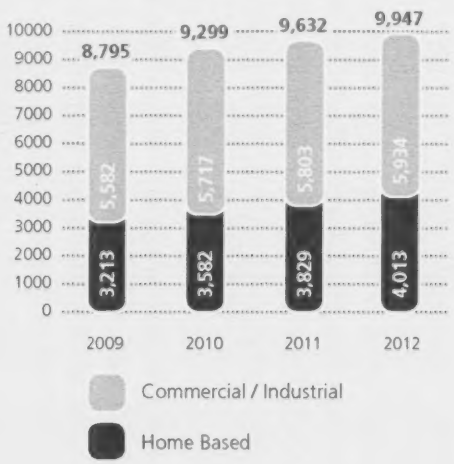
Summary of Major Projects Over $10M Approved in 2012

New Office Building - 220 Wall Street	$10.0M	(Included in "Commercial" above)
New Apartment Condominium - 1010 Ruth Street	$12.9M	(Included in "Residential" above)
New Apartment Condominium - 1035 Moss Avenue	$12.0M	(Included in "Residential" above)
New Police Station (Final Phase) - 76-25th St. East	$74.7M	(Included in "Commercial" above)
New Elementary School - Willowgrove/Holy Family	$30.6M	(Included in "Institutional and Assembly" above)

New Licensed Businesses

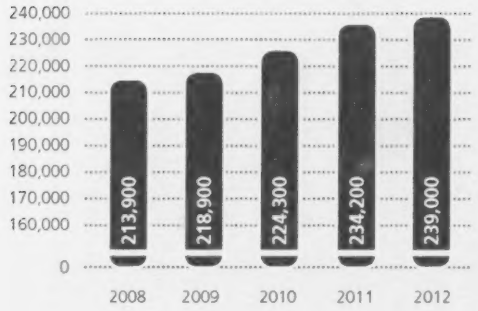


Total Licensed Businesses

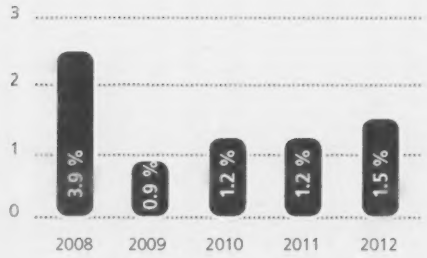


Key Statistics

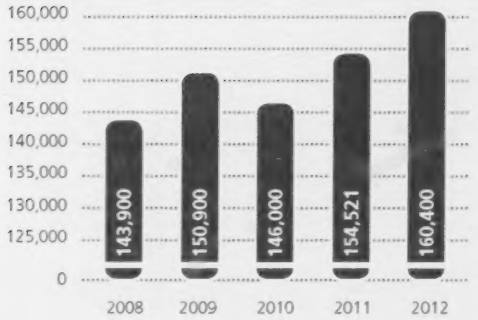
Population
(as at December 31st)



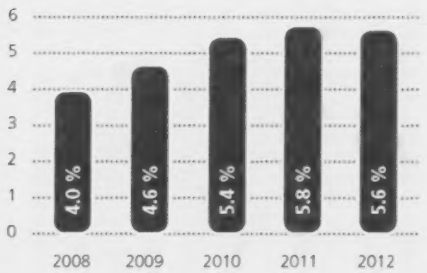
Average Annual Consumer Price Index



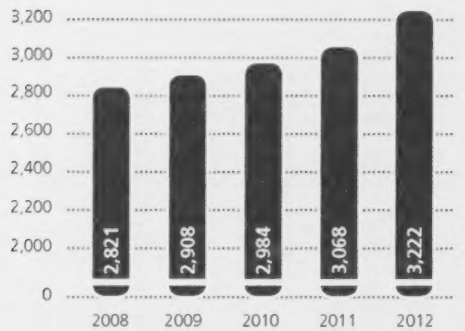
Labour Force
(for month of December)



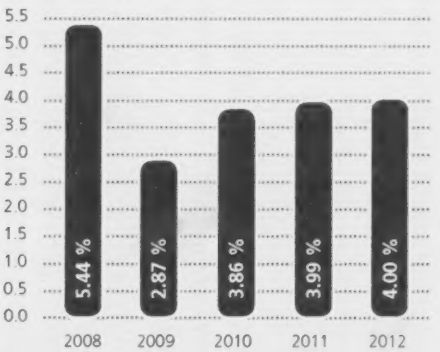
Unemployment
(for month of December)



Municipal Budgeted Staff Years
(Including Boards and Commissions - excluding Library)



Property Tax Increase



City of Saskatoon

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